

COST AUDIT REPORT

THE THAL INDUSTRIES CORPORATION LIMITED
YEAR ENDED SEPTEMBER 30, 2009

Submitted By:

Ashiq & Company

Chartered Accountants

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COST AUDITOR'S REPORT TO THE DIRECTORS

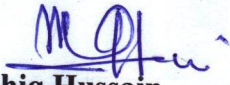
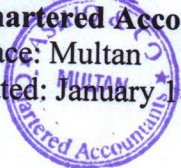
We, Ashiq & Company, Chartered Accountants, having been appointed to conduct an Audit of Cost Accounts of M/S The Thal Industries Corporation Limited, have examined the books of account and the statements prescribed under clause (e) of sub-section (1) of section 230 of the Companies Ordinance, 1984 and other relevant record for the year ended on September 30, 2009 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 purpose 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 from branches not visited 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 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:-

White Refined Sugar

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

Reconciliation of Cost Accounts with financial accounts has been made and will be forwarded to the directors before AGM.


Ashiq Hussain
Chartered Accountant
Place: Multan
Dated: January 18, 2010


THE THAL INDUSTRIES CORPORATION LIMITED
Cost Audit
For the Year Ended 30th September-2009

STATEMENT OF CAPACITY UTILIZATION UNDER RULE 4 (1) (a)

CAPACITY UTILIZATION IN PRODUCTION UNITS

CRUSHING	2009		2008	
	Installed Capacity M.Ton	Utilized Capacity M.Ton	Installed Capacity M.Ton	Utilized Capacity M.Ton
Sugar Cane Crushed	1,422,000	1,142,669	1,227,600	1,022,696

CAPACITY UTILIZATION IN MACHINE HOURS

CRUSHING	2009		2008	
	Installed Capacity Machine Hours	Utilized Capacity Machine Hours	Installed Capacity Machine Hours	Utilized Capacity Machine Hours
Sugar Cane Crushed	2,498	2,167	3,168	2,983

Reason:

The under utilization of capacity is due to the shortage of cane supply.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
 Cost Audit
 For the Year Ended 30th September-2009

STATEMENT OF STOCK IN TRADE UNDER RULE 4 (1) (b)

Particulars	2009		2008	
	Quantity	Cost	Quantity	Cost
	(M. Ton)	Rupees	(M. Ton)	Rupees
Raw Material				
Sugar Cane	NIL	NIL	NIL	NIL
Work In Process				
Sugar	75.171	2,327,997	65.353	1,226,873
Finished Goods				
Sugar	21,994.700	693,839,943	14,545.400	277,140,779
Others				
Molasses	45.786	228,930	28.378	198,646
Total		<u>696,396,870</u>		<u>278,566,298</u>



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
COST AUDIT FOR THE YEAR ENDED 30TH SEPTEMBER-2009

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THE THAL INDUSTRIES CORPORATION LIMITED

COST AUDIT

For the Year Ended 30th September 2009.

SCOPE OF COST AUDIT

SCOPE OF COST AUDIT

We have been appointed as cost auditor of M/S The Thal Industries Corporation Limited under rule 3 of Companies (Audit of Cost Accounts) Rules, 1998 to carry out the cost audit of the company for the year ended September 30, 2009.

Our scope of audit is determined by Companies (Audit of Cost Accounts) Rules, 1998 under which we have to issue a report as cost auditors of the company, in the prescribed format, along with the following two statements, duly signed by the Chief Executive and Chief Financial Officer of the company, which form part of our report.

1. Statement of capacity utilization of the plant:

The installed capacity, its actual utilization and reasons of variance between the two

2. Statement of stock in trade:

The statement of quantity and cost of each item included in stock at the year end distinguishing between;

- i. Stock of raw material and components.
- ii. Stock of work in process
- iii. Stock of finished products, and
- iv. Other stocks.

3. PARTICULARS TO BE INCLUDED IN THE REPORT:

1) Capacity:

- a. Licensed installed and utilized capacities of the factory for the products under reference.
- b. If the company is engaged in other activities besides the manufacture of the product under reference, give a brief note on the nature of such other activities.

2) Cost accounting system:

Brief comments on the cost accounting system and its adequacy or otherwise to determine correctly the cost of products under reference

3) Production:

- i. Production in quantities of each type of product under reference.
- ii. Percentage of production of the product under reference in relation to installed capacity. If there is any shortfall in production as compared to capacity, brief comments as to the reasons for shortfall.
- iii. If there is any addition to the production capacity during the year under review or in the immediately preceding two years this may also be mentioned.

4) Raw materials:

- a. The cost of major raw material consumed in terms of both quantity and value. Where the cost of transport etc. of raw material is significant, specify the same separately.
- b. Consumption of major raw material per unit of production compared with the standard requirement, if any.
- c. Explanation for variances, if any, in the consumption of major raw material per unit of production as compared to the preceding two years, and with standard requirement, if any.
- d. Comments on method of accounting followed for recording the quantities and values of the receipts, issues and balances of all material directly used in production.

5) Wages and salaries:

- a. Total wages and salaries paid for all categories of employees, separately in respect of each of the following namely:
 - i. Direct labour cost on production;
 - ii. Indirect employees' cost on production;
 - iii. Employees' cost on administration;
 - iv. Employees' cost on selling and distribution;
 - v. Bonus to workers and employees;
 - vi. Other employees' cost, if any (including taxes and levies); and
 - vii. Total employees' cost {total of items (i) to (iv) above}
- b. Salaries and perquisites of directors and Chief Executive.
- c. Total man-days of direct labour available and actually worked for the year.
- d. Average number of workers employed for the year.
- e. Direct labour cost per ton of output of product (give information in respect of each).

THE THAL INDUSTRIES CORPORATION LIMITED

COST AUDIT

SCOPE OF COST AUDIT

For the Year Ended 30th September 2009.

- f. Brief explanations for variance in item (e) above, if any, as compared to the previous two years.
 - g. Comments on incentives schemes, if any, with particular reference to its contributions towards increasing productivity and its effect of cost of production.
- 6) Stores and spare parts:**
- a. The expenditure per unit of output on stores, etc.
 - b. Comments on the system of stores accounting for recording receipts, issues and balances, both in quantities and values.
 - c. If practicable, the proportion of closing inventory of stores representing items, which have not moved for over twenty four months.
- 7) Depreciation:**
- a. The method of depreciation adopted by the company, e.g., straight line or diminishing balance, etc.
 - b. The basis of allocation of depreciation on common assets to the different departments.
 - c. The basis of charging depreciation to the cost of products.
- 8) Overheads:**
- a. The total amount of the following overheads and a break-up of items (i), (ii) and (iii) below:
 - i. Factory overheads.
 - ii. Administration overheads.
 - iii. Selling and distribution overheads.
 - iv. Financial Charges.
 - b. Reasons for any significant variances in the expenditure incurred against the item, included in the overheads as compared with previous two years.
 - c. The basis of allocation of overheads to cost centers and absorption to products with brief comments, if any, on the basis of allocation adopted by the company.
 - d. Cost of packing, if any, of the products under reference to be shown separately with details to the extent possible.
- 9) Royalty / technical aid payments:**
- The total amount of royalty / technical aid fees payable for the year and the amount chargeable per unit of the product.

10) Abnormal non-recurring features:

- a. If there were any abnormal features affecting production during the year, e.g. strikes, lockouts, major breakdown in the plant, substantial power cuts, serious accidents, they shall, wherever practicable, be briefly mentioned indicating their impact on the cost of production.
- b. If there are special expenses which have been directly allocated to products under reference, the total amount as also incidence per unit of product shall be shown.

11) Cost of production:

The cost per unit of different categories, or qualities of each of the products under reference with comparative figures for the previous year and comments on the reasons of difference.

12) Sales:

- a. The sales in quantities and net sales realization of the different categories, varieties or quantities of product under reference showing the average sales realization per unit.
- b. If product under reference is exported, quantity exported, net realization per unit, countries to which exported, indicating the profit or loss incurred in export.

13) Profitability:

The profit per unit earned on each category, variety or quantity of the products, comments on the comparative profits of different categories of the products per unit as well as in term of per machine hour etc. and comments on the adequacy or otherwise of product for maximization of profit.

14) Cost auditors' observations and conclusions:

- a. Matters which appear to him to be clearly wrong in principal or apparently unjustifiable.
- b. Cases where the company funds have been used in a negligent or inefficient manner.
- c. Factors which could have been controlled but have not been done resulting in increase in the cost of production.
 - i. *The adequacy or otherwise of budgetary control system, if any, in vogue in the company.*
 - ii. *Scope and performance of internal audit, if any*

d. Suggestion for improvements in performance by:

- i. Rectification of general imbalance in production facilities.
- ii. Fuller utilization of installed capacity.
- iii. Comments on areas offering scope for:
 - a. Cost reduction;
 - b. Increased productivity;
 - c. Key limiting factors causing production bottle-necks;
 - d. Improved inventory policies; or
 - e. Energy conservancy.
- iv. State of technology, whether modern or obsolete.
- v. Plant, whether new or second hand when installed.

THE THAL INDUSTRIES CORPORATION LIMITED

COST AUDIT

BRIEF HISTORY OF THE COMPANY

For the Year Ended 30th September 2009.

BRIEF HISTORY OF THE COMPANY

The Thal Industries Corporation Limited was incorporated on 7th September 1953 under the Companies Act, 1913 (Now Companies Ordinance, 1984) as public company, limited by shares. Its shares are quoted on Karachi and Lahore Stock Exchanges in Pakistan. Its main business activity is manufacturing and sale of Sugar. The company's sugar producing plants are located at Distt: Layyah and Lalian Distt. Jhang, Pakistan. The total crushing capacity of the company is 13,800 TCD.

Rahman Sarfaraz Rahim Iqbal Rafiq & Co., Chartered Accountants are the statutory auditors of the company. The company's financial statements have been audited up to 30th September 2009.

THE THAL INDUSTRIES CORPORATION LIMITED**COST AUDIT**For the Year Ended 30th September 2009.**CAPACITY****CAPACITY****Scope:**

- a. Licensed, installed and utilized capacities of the factory for the products under reference.
- b. If the company is engaged in other activities besides the manufacture of the product under reference, brief note on the nature of such other activities.

a. Capacity

	Year	Production Unit	Installed Capacity	Utilized Capacity	% of Installed Capacity
Crushing	2008	M.TONS	1,227,600	1,022,696	83.31
Crushing	2009	M.TONS	1,422,000	1,142,669	80.36

b. Other Activities:

The company is not engaged in any other activity besides the manufacture of the product under reference.

COST ACCOUNTING SYSTEM

Scope:

Brief comments on the cost accounting system and its adequacy or otherwise to determine correctly the cost of the products under reference.

COST ACCOUNTING SYSTEM

The Cost Accounting System was discussed with the management of the company and reviewed in order to assess the adequacy of the system. The Company is using an integrated Accounting System in which cost accounting functions and financial accounting functions are combined in one system of ledger accounts. This enables the company to get information regarding cost records at any point of time.

The existing system can generate various cost reports some of which are as follows:

- Direct department cost.
- Distribution of total production cost into raw material and other manufacturing cost.
- Detail of direct cost of sugar.
- Detail of total cost of sugar.
- Direct and indirect cost of salaries and wages.
- The cost of each service department.
- Stock valuation of stores, spares and loose tools.
- Direct cost of production departments.
- Total cost of production departments.

Our review of the system and procedures adopted by the company reveal that the adequate information and analysis regarding cost of product is generated for the management.

PRODUCTION

Scope:

- a. Production in quantities of each type of product under reference.
- b. Percentage of production of the product under reference in relation to installed capacity. If there is any shortfall in production as compared to installed capacity, brief comments as to the reasons for shortfall.
- c. If there is any addition to the production capacity during the year under review or in the immediately preceding two years this may also be mentioned.

a. Production:

Sugar	Production	
	(Metric Tons)	
	2009	2008
White Refined Sugar	105,600.800	92,702.750

b. Percentage of production to installed capacity:

Sugar	% To Total Installed Capacity	
	2009	2008
White Refined Sugar	80.36	83.31

Comments on variance

The utilization of installed capacity has decreased as compared to previous year due to shortage of sugar cane supply.

c. Addition to production capacity

No addition has been made in the production capacity during the year.

RAW MATERIAL**Scope:**

- a. The cost of major raw material consumed in terms of both quantity and value. Where the cost of the transport, etc., of raw material is significant, specify the same separately.
 - b. Consumption of major raw material per unit of production compared with the standard requirements, if any.
 - c. Explanations for variances, if any, in the consumption of major raw material per unit of production as compared to the preceding two years, and with standard requirement, if any.
 - d. Comments on the method of accounting followed for recording the quantities and values of the receipts, issues and balances of all material directly used in production.
- a. **Major raw material consumed:**

Sugarcane

Year	Quantity In M.Ton	Value Rupees	Rs. Per M.Ton
2009	1,142,669	1,788,551,226	1,565.24
2008	1,022,697	1,551,364,752	1,516.94
2007	767,807	1,299,407,789	1,692.36
2006	655,511	959,438,634	1,463.65

Transportation expenses during the year were Rs.4,209,598(2008 2,783,448)

- b. Consumption of major raw material per unit of production compared with the standard requirements.

As the company does not have a standard costing system in practice, so, no comparison could be made.

THE THAL INDUSTRIES CORPORATION LIMITED**COST AUDIT**

RAW MATERIAL

For the Year Ended 30th September 2009.**c. Variance in Major Raw Materials Consumption:**

Years	Material Consumption per ton of sugar produced			Increased / (Decrease) as compared with last years	
	2009	2008	2007	2009	2008
Sugarcane	10.82	11.03	11.29	(0.21)	(0.26)

Explanation of variances:

The favorable variance in material consumption per M. Ton is due to high recovery in the current year i.e., 9.242 % as compared to last year's recovery 9.065% due to inferior quality of sugarcane.

b. Method of accounting:

Cost of purchase of raw material comprises of transport, government levies, handling and other costs directly attributable to the acquisition of materials. Purchases of sugarcane are accounted for when they are received at mill / purchase centers. Value of material consumed is taken on actual basis.

THE THAL INDUSTRIES CORPORATION LIMITED**COST AUDIT****SALARIES AND WAGES**For the Year Ended 30th September 2009.**SALARIES AND WAGES****Scope:**

- a. Total wages and salaries paid for all categories of employees, separately in respect of each of the following namely:
 - i. Direct labour cost on production;
 - ii. Indirect employees' cost on production;
 - iii. Employees' cost on administration;
 - iv. Employees' cost on selling and distribution;
 - v. Bonus to workers and employees;
 - vi. Other employees cost, if any (including taxes and levies); and
 - vii. Total employees cost [total of items (i) to (iv) above].
- b. Salaries and perquisites of directors and Chief Executive.
- c. Total man-days of direct labour available and actually worked for the year.
- d. Average number of workers employed for the year.
- e. Direct labour cost per unit of output of the product. (give information in respect of each)
- f. Brief explanations for variance in items (e) above, if any, as compared to the previous two years.
- g. Comments on the incentive schemes, if any, with particular reference to its contributions towards increasing productivity and its effect on cost of production.

a. Total Wages and Salaries paid:**Table 1**

.D

S.#	PARTICULARS	2009 RUPEES	2008 RUPEES	2007 RUPEES
I	Direct Labour Cost Of Production	88,887,452	55,679,685	40,185,471
II	Indirect Labour Cost Of Production	37,973,006	22,626,771	9,655,419
III	Employees Cost on Administration	66,349,642	35,522,928	24,082,133
IV	Employees Cost on selling & distribution	2,940,183	2,559,089	1,546,767
V	Other Employees Cost	-	-	-
	Total Employees Cost	196,150,283	116,388,473	75,469,790
VI*	Bonus to workers & employees	31,491,078	18,840,959	8,048,584

* It is included in items (i) to (iv) above.

THE THAL INDUSTRIES CORPORATION LIMITED**COST AUDIT****SALARIES AND WAGES**For the Year Ended 30th September 2009.**b. Salaries and Perquisites of Directors and Chief Executive.**

Director	2009	2008	Increase / (Decrease)	
	Rs.	Rs.	Rs.	%
Managerial remuneration	2,550,000	1,660,000	890,000	53.61%
Traveling/Daily Allowances.	858,597	637,643	220,954	34.65%
	3,408,597	2,297,643	1,110,954	48.35%

Chief Executive	2009	2008	Increase / (Decrease)	
	Rs.	Rs.	Rs.	%
Managerial remuneration	1,275,000	980,000	295,000	30.10%
Traveling/Daily Allowances.	-	-	-	-
	1,275,000	980,000	295,000	30.10%

c. Total man days of direct labour available and actual worked.

Plant	Worked	Available
Man days	91	105

d. Average Number of Workers Employed:

2009	2008
908	1,296

THE THAL INDUSTRIES CORPORATION LIMITED**COST AUDIT**

SALARIES AND WAGES

For the Year Ended 30th September 2009.**e. Direct Labour Cost Per M. Ton:**

Description	2009	2008	2007	Increase / (Decrease) 2009	Increase / Decrease 2008
Direct labour cost per M. ton	841.73	600.63	590.75	241.10	9.88

f. Explanation for Variance in Items (e)

Increase in cost per M. Ton is due to increase in wages rates.

g. No Comments on Incentives Schemes

STORE AND SPARES

Scope:

- a. The expenditure per unit of output on stores, etc.
- b. Comments on the system of stores accounting for recording receipts, issues and balances, both in quantities and values.
- c. The proportion of closing inventory of stores representing items which have not moved for over twenty-four months.

a. **Expenditure Per M. Ton of Output:**

2009		2008	
Total Store Consumed	Cost Per M. Ton of Output	Total Store Consumed	Cost Per M. Ton of Output
Rs.	Rs.	Rs.	Rs.
79,221,139	750.19	51,033,753	550.51

b. **System of Stores Accounting:**

Store receipts are recorded on the basis of receiving report, gate inward passes, purchase order, demand notes etc. Issuances of stores are made on the basis of issue requisitions received from the relevant department.

Receipts of Stores and Spares:

These are valued at cost comprising of purchase price, import duties, other taxes, and other costs directly attributable to the acquisition of stores and spares except transportation and handling cost which is separately charged to production.

Issues and Balance of stores and Spares:

Stores and Spares are valued on average cost.

c. **Slow Moving Items:**

Slow moving items amounted to Rs. 30,333,752 that is 16 % of closing inventory.

DEPRECIATION

Scope:

- a. The method of depreciation adopted by the company, e.g. straight line or diminishing balance, etc.
- b. The basis of allocation of depreciation on common assets to the different departments.
- c. The basis of charging depreciation to the cost of products.

a. **Method of Depreciation:**

Depreciation on all operating fixed Assets, except land is charged on reducing balance method. Depreciation on addition is charged from the month the asset is used. No depreciation is charged on disposal from the month the asset is disposed off.

b. **Basis of Allocation of Depreciation:**

The depreciation of common assets is allocated to various departments on the basis of proportion of services rendered to the respective departments.

c. **Basis of Charging Depreciation to Cost of Product:**

Depreciation of assets in use of production department is charged to cost of production.

THE THAL INDUSTRIES CORPORATION LIMITED**COST AUDIT**

ROYALTY / TECHNICAL AID PAYMENT

For the Year Ended 30th September 2009.**OVERHEADS**

Scope:

- a. The Total amount of the following overheads and a break-up of items (i), (ii) and (iii) below:
 - i. Factory overheads.
 - ii. Administration overheads.
 - iii. Selling and distribution overheads.
 - iv. Financial charges.
- b. Reasons for any significant variances in the expenditure incurred against the items, included in the overheads as compared with previous two years.
- c. The basis of allocation of overheads to cost centers and absorption to products with brief comments, if any, on the basis of allocation adopted by the company.
- d. Cost of packing, if any, of the products under reference to be shown separately with details to the extent possible.

a. Total Amounts of the Overheads:

Sr.#	Overheads	2009 RUPEES	2008 RUPEES	2007 RUPEES
i.	Factory	45,107,157	28,885,838	12,677,175
ii.	Administration	133,647,367	57,461,339	42,760,417
iii.	Selling & Distribution	16,967,350	17,537,456	10,461,133
iv.	Financial	201,851,395	54,673,161	43,032,836
TOTAL		368,834,733	158,557,794	108,931,561

THE THAL INDUSTRIES CORPORATION LIMITED**COST AUDIT**

ROYALTY / TECHNICAL AID PAYMENT

For the Year Ended 30th September 2009.

1. Factory Overheads:

S.No	Particulars	Amount in Rupees	
		This Year 2009	Previous Year 2008
		Amount Rs.	Amount Rs.
1	Indirect Labour	37,973,006	22,626,771
2	Rent, Rate and Taxes.	643,860	805,458
3	Printing and Stationery.	1,248,626	557,311
4	Postage and Telegram	65,917	52,700
5	Telephone Fax and Telex.	272,826	177,977
6	Traveling and Conveyance.	411,424	291,541
7	Books and Periodicals	-	-
8	Entertainment.	943,046	211,579
9	Vehicle Running Expenses.	1,717,399	1,147,360
10	Repair and Maintenance	1,660,099	2,883,244
11	Fire Fighting	170,954	131,897
12	Legal and professional charges	-	-
13	Advertisement	-	-
14	Water and electricity	-	-
15	Insurance	-	-
TOTAL		45,107,157	28,885,838

THE THAL INDUSTRIES CORPORATION LIMITED**COST AUDIT**

ROYALTY / TECHNICAL AID PAYMENT

For the Year Ended 30th September 2009.

ii. Administrative Overheads:

S.No	Particulars	Amount in Rupees	
		This Year 2009	Previous Year 2008
		Amount Rs.	Amount Rs.
1	Salaries wages and benefits	70,174,642	38,162,928
2	Rent, Rates and Taxes.	1,266,179	880,247
3	Insurance.	189,038	15,698
4	Water, Gas and Electricity.	489,203	238,906
5	Printing and Stationery	1,495,619	1,069,301
6	Postage and Telegram.	263,668	210,800
7	Telephone Fax and Telex.	1,440,854	1,018,510
8	Repair and Maintenance. Building	1,021,975	2,876,118
9	Traveling and Conveyance.	1,815,732	1,201,837
10	Foreign Traveling	-	366,949
11	Books and Periodicals.	30,590	35,241
12	Entertainment.	2,310,679	1,197,703
13	Advertising.	80,390	88,380
14	Legal and Professional Expenditure.	4,627,626	1,354,467
15	Auditor's Remuneration.	390,500	365,000
16	Vehicle Running Expenses.	4,790,589	3,099,029
17	Ijara Rentals	33,155,467	-
18	Charity and Donation.	1,800,270	31,260
19	Fee and Subscription	1,466,967	337,130
20	Depreciation	3,167,362	1,686,472
21	Others.	3,670,017	3,225,363
TOTAL		133,647,367	57,461,339

THE THAL INDUSTRIES CORPORATION LIMITED**COST AUDIT**

ROYALTY / TECHNICAL AID PAYMENT

For the Year Ended 30th September 2009.

iii. Selling and Distribution Overheads:

S.No	Particulars	Amount in Rupees	
		This Year 2009	Previous Year 2008
		Amount Rs.	Amount Rs.
1	Salaries, Wages and Benefits (Annex 6).	2,940,183	2,559,089
2	Traveling and Conveyance.	-	-
3	Commission.	844,570	509,100
4	Freight outward.	4,574,493	6,082,546
5	Stacking / Restacking.	5,546,204	5,429,251
6	Loading / Unloading.	1,336,110	1,406,200
7	Export Expenses.	0	0
8	Vehicle Running Expenses.	0	0
9	Advertising for Sales Promotion	0	0
10	Insurance	974,465	359,053
11	Other Expenses.	751,325	1,192,218
TOTAL		16,967,350	17,537,457

THE THAL INDUSTRIES CORPORATION LIMITED**COST AUDIT**

ROYALTY / TECHNICAL AID PAYMENT

For the Year Ended 30th September 2009.**v. Financial Charges:**

Particulars	2009	2008	2007
	Rupees	Rupees	Rupees
1 Financial Charges	196,053,464	54,673,161	43,032,836

b. Reasons for Significant Variances:

Increase in factory overhead as compared to previous year is mainly due to purchase of additional production facility of 4,500 M.Ton in 2008.

Increase in admin overhead as compared to previous year is mainly due to purchase of additional production facility of 4,500 M.Ton in 2008 and partially due to inflation factor.

Decrease in selling & distribution expenses is due to decrease in freight expenses.

c. Basis of Allocation of Overheads:

Overheads directly related to various departments are charged to concerned department. Telephone, Postage & telegram are allocated on the basis 20% to production and 80 % to Administration.

Building repair & maintenance is allocated 80% to Production & 20 % to administration.

d. Cost of Packing:

Particulars	2009	2008	Increase / (Decrease)	
	Rupees	Rupees	Rupees	Percentage %
Cost of Packing Material	34,514,653	25,922,551	8,592,102	33.15

THE THAL INDUSTRIES CORPORATION LIMITED

COST AUDIT

ROYALTY / TECHNICAL AID PAYMENT

For the Year Ended 30th September 2009.

ROYALTY / TECHNICAL AID PAYMENT

Scope:

The Total amount of Royalty / Technical aid fees payable for the year and the amount chargeable per unit of the product.

Royalty Payment:

No Royalty is paid or payable.

Technical aid payment:

No Technical aid is paid or payable.

Comments on Variance:

Not applicable

ABNORMAL NON-RECURRING FEATURES

Scope:

- a. If there were any abnormal features affecting production during the year, e.g. strikes, lockouts, major breakdowns in the plant, substantial power cuts, serious accidents, etc., they shall, wherever practicable, be briefly mentioned indicating their impact on the cost of production.

- b. If there are special expenses, which have been directly allocated to products under reference, the total amount as also incidence per unit of product shall be shown.

a. **Features Affecting Production**

NIL

b. **Special Expenses**

NIL

THE THAL INDUSTRIES CORPORATION LIMITED**COST AUDIT**For the Year Ended 30th September 2009.

COST OF PRODUCTION

COST OF PRODUCTION**Scope:**

The Cost per unit of different categories, varieties or qualities of each of the products under reference with comparative figures for the previous year and comments on the reasons of difference

Cost per unit of different varieties:

Product	2009	2008	2007	Increase / (Decrease)	
	Rupees/M. ton	Rupees/M. ton	Rupees/M. ton	Rupees	Percentage %
White Refined Sugar	37,900	23,747	27,848	14,153	59.60%

The increase in cost per M. Ton as compared to previous year is mainly due to increase in prices of sugar cane.

THE THAL INDUSTRIES CORPORATION LIMITED**COST AUDIT**

SALES

For the Year Ended 30th September 2009.**SALES****Scope:**

- a. The sale in quantities and net sales realization of the different categories, varieties or quantities of product under reference showing the average sales realization per unit.
- b. If product under reference is exported, quantity exported, net realization per unit, countries to which exported, indicating the profit or loss incurred in export.

a. Sale of different varieties:

White Refined Sugar	Quantity M. Tons	Value	Avg. Sales Realization
	M. Ton	Rupees	Rupees / M.Ton
2007	67,493.60	1,668,020,499	24,714
2008	69,907.20	1,613,835,428	23,085
2009	98,151.50	3,538,394,579	36,050

b. Export sales:

2007	NIL	NIL	NIL
2008	16,875	410,771,042	24,342
2009	NIL	NIL	NIL

PROFITABILITY**Scope:**

The profit per unit earned on each category, variety or quantity of the products, comments on the comparative profits of different categories of the products per units as well as in term of per machine hours, etc. and comments on the adequacy or otherwise of product for maximization of profit.

Profit per unit earned:

Sales:	2009	2008	2007
White Refined Sugar (M.Ton)	98,151.500	86,782.200	67,493.600
Profit/(Loss) Rs.	307,071,784	151,388,074	28,001,697
Profit/(Loss) Rs./ M. Ton	3,128.55	1,744.46	414.88

Comments:

As there is only one product therefore comments on comparative profits of different categories and comments on the adequacy or otherwise of product for maximization of profits can not be made

COST AUDITORS' OBSERVATIONS AND CONCLUSIONS

Scope:

- a. Matters which appear to us to be clearly wrong in principal or apparently unjustifiable.

NIL

- b. Cases where the Company Funds have been used in a negligent or inefficient manner.

NIL

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

NIL

- i. *The adequacy or otherwise of budgetary Control System, if any, in vogue in the company.*

There is no budgetary control system in the company. However the management is considering the implementation of budgetary control system.

- ii. *The Scope and Performance of Internal Audit, if any.*

The management has established an independent internal audit department. The department is properly functioning to achieve its goals and the findings are being brought to the knowledge of management for their corrective actions/measures.

- d. **Suggestion for Improvements in Performance:**

- i. Rectification of general imbalance in production facilities**

There is no imbalance in production facilities.

- ii. Fuller utilization of installed capacity.**

Full utilization of installed capacity was restricted due to shortage of sugar cane supply. Steps should be taken to increase sugar cane supply by giving incentives to farmers for more cultivation.

iii. **Comments on areas offering scope for**

a. **Cost reduction**

Cost may be reduced by improving the efficiency of mills and taking steps for encouraging cultivation of high quality sugarcane.

b. **Increased productivity**

Productivity may be increased by full utilization of installed capacity.

c. **Key limiting factors causing production bottle-necks**

Shortage of sugarcanes

d. **Improved inventory policies: or**

NIL

e. **Energy conservancy**

NIL

iv. **State of technology, whether modern or obsolete.**

7,800 T.C.D. plant is old and 6000 T.C.D. is modern.

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

The Plant when installed was new.

The Thal Industries Corporation Ltd
For The Year Ended 30th. September 2009

A. COMPANY INFORMATION

- | | |
|---|--------------------------------------|
| 1. Name Of The Company | The Thal Industries Corporation Ltd. |
| 2. Date Of Incorporation | September 7, 1953 |
| 3. Location Of Registered Office | 23 Peer Khurshid Colony Multan |
| 4. Location Of Factory | Layyah - Lalian Dist. Chaniot |
| 5. Products Other Than Sugar Being Manufactured | Nil |
| 6. Installed Cane Crushing Capacity In Tonnes | 13,800 M.Tons per day. |

B. PRODUCTION DATA :

S.No.	Particulars	Current Year 2009	Year 2008
1	2	3	4
1 (A)	CANE CRUSHED		
	Date of Start	25.11.2008	23.11.2007
	Date of Finish	09.03.2009	05.04.2008
	Duration of run days	105	132
	Total number of hours in duration	2,497.60	3,168.00
	Total number of hours of actual crushing	2,167.15	2983.10
	Total number of hours lost	330.45	158.20
	Total cane milled (tonnes)	1,142,669.268	1,022,696.505
	Converted maunds	30,614,866.252	27,400,507
	Total mixed juice obtained (tonnes)	1,055,957.760	945,578.700
(B)	RAW SUGAR		
	Raw Sugar Processed-M.Ton	Nil	Nil
	Sugar Made-M.Ton	Nil	Nil
	Recovery%	Nil	Nil
	Molasses %	Nil	Nil
2	JUICE & ADDED WATER		
	Average mixed juice % cane	92.411	92.459
	Average added water % cane	22.507	22.743

Rumby

Strawman Khan

S.No 1	Particulars 2	Current Year 2009 3	Year 2008 4
3	SUGAR MADE-Cane Total sugar bagged of all grade (100 kg) (50 kg) Sugar bagged (tonnes) Sugar in process (tonnes)	Nil 2,112,016.000 105,600.80 75.171	Nil 1,854,055.00 92,702.75 65.353
4	MOLASSES EXTRACTED Total molasses sent out (tonnes) Molasses in process (tonnes)	50,224.555 45.786	45,369.448 28.378
5	RECOVERY % Laboratory test percentage recovery of sugarcane Average recovery of marketable white sugar % cane Average production of final mollasses % cane	9.242 4.395	9.065 4.436
6	BY-PRODUCTS Bagasses % cane (calculated) (tonnes) V.F.Cake % cane (tonnes)	30.033 3.00	30.283 3.00
7	CLARIFICATION PROCESS Specify the process used by the mill	Defecation Remelt Phosphitation	

Printed

Shamir Khan

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF PRODUCTION AND SALE OF WHITE BAGGED SUGAR
FOR THE YEAR ENDED 30th. SEPTEMBER 2009

Quantitative Data - Bagged Sugar**M.TON**

Opening Stock	14,545.400
Production	105,600.800
Closing Stock	21,994.700
Sales	98,151.500

S.No	Particulars	This Year 2009		Previous Year 2008	
		Amount (Rs.)	Cost per ton of sugar	Amount (Rs.)	Cost per ton of sugar
(1)	(2)			(3)	(4)
1	Raw Materials:				
	(a) Sugar Cane (Annex 3).	2,998,973,130	28,399.15	1,619,975,128	17,474.94
	(b) Beet (Annex 4).			0	0
	(c) Gur.			0	0
	(d) Raw Sugar.			0	0
	(e) Process Material (Annex 5).	41,552,143	393.48	22,930,963	247.36
2	Salaries / Wages and benefits (annex 6).	73,463,817	695.67	44,264,754	477.49
3	Consumable Stores.	3,154,343	29.87	2,180,239	23.52
4	Repair and Maintenance	190,774,050	1,806.56	132,139,990	1,425.42
5	Utilities:				
6	Steam (Annex 7).	484,086,011	4,584.11	559,368,030	6,034.00
7	Electric Power (Annex 8).	64,642,784	612.14	53,496,276	577.07
8	Water and Gas.				0.00
9	Insurance.	701,554	6.64	453,190	4.89
10	Depreciation.	120,132,149	1,137.61	50,250,810	542.06
11	Other Factory Overheads (Annex 9)	7,134,151	67.56	6,259,067	67.52
12	Total Cost	3,984,614,132	37,732.80	2,491,318,449	26,874.27
13	Add: Opening Stock of W.I.P.	1,226,873	11.62	1,574,389	16.98
14	Less: Closing Stock of W.I.P.	(2,327,997)		(1,226,873)	
15	Total Cost of goods Manufacturing	3,983,513,008	37,722.38	2,491,665,965	26,878.02
16	Less. Realisable value of By-Products:				0.00
	Molasses	(255,938,884)	(2,423.65)	(164,113,579)	(1,770.32)
	Bagasse	(415,587,282)	(3,935.46)	(446,196,338)	(4,813.19)
	Others.(Press Mud)	(588,692)	(5.57)	(620,819)	(6.70)
17	Net Cost of Goods Manufacturing:	3,311,398,150	31,357.70	1,880,735,229	20,287.80
18	Add :Packing Material	34,514,653	326.84	25,922,551	279.63

Shamir Khan

Ramky

S.No	Particulars	This Year 2009		Previous Year 2008	
		Amount (Rs.)	Cost per ton of sugar	Amount (Rs.)	Cost per ton of sugar
(1)	(2)			(3)	(4)
19	Net Cost of Bagged Sugar.	3,345,912,803	31,684.54	1,906,657,780	20,567.43
20	Add :Excise duty / Sales Tax.	443,843,848	4,203.03	243,489,420	2,626.56
21	Total Cost of Bagged Sugar	3,789,756,651	35,887.58	2,150,147,200	23,194.00
22	Add: Opening stocks	277,339,425	2,626.30	199,008,692	2,146.74
23	Less:Closing Stocks	(693,839,943)	(6,570.40)	(277,339,425)	(2,991.71)
24	Cost of Sales.	3,373,256,133	34,367.85	2,071,816,467	22,349.03
25	Administrative Expenses (Annex 10).	133,647,367	1,361.64	57,461,339	619.85
26	Selling and Distribution Expenses (A. 11).	16,967,350	172.87	17,537,457	189.18
27	Financial Expenses.	196,053,464	1,997.46	54,673,161	589.77
28	Other Charges.		0.00		0.00
	Total Cost to Make and Sell.	3,719,924,314	37,899.82	2,201,488,424	23,747.82

Sham Khan

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THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF SUGARCANE, PRODUCED
FOR THE YEAR ENDED 30th SEPTEMBER-2009

Sr. No.	Particulars	Current Year		Previous Year.	
		Quantity (in M. Tons)	Amount (Rs.)	Quantity (in M. Tons)	Amount (Rs.)
1	2	3	5	6	8
1	<u>Seeds & Other Inputs:</u> Seed Fertilizers, herbicides etc. Insecticides Abiana/water charges. Total Cost of Inputs				
2	<u>Labour Cost:</u> Land Preparation Plantation Maintenance of Cane Crop/Rations. Operation of Tractors Harvesting Total Labour Cost:	<div style="border: 1px solid black; padding: 10px; font-size: 2em; font-weight: bold;">NOT APPLICABLE</div>			
3	<u>Other Cost:</u> Fuel for Tractors operation. Maintenance & Over haul of Tractors. Insurance Interest Expenses. Description 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				

Ranjit

Shamir Khan

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF SUGARCANE CRUSHED
FOR THE YEAR ENDED 30th. SEPTEMBER 2009

S.No	Particulars	Year- 2009			Year- 2008		
		Quantity M.Tons	Rate Rs./M.Ton	Amount Rs.	Quantity M.Tons	Rate Rs./M.Ton	Amount Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Total sugarcane purchased at Government fixed rate.	1,142,759.692	2,511.27	2,869,776,258	1,022,707.796	1,516.94	1,551,381,880
	Sugarcane produced from own farm (A-2)				0		
	Less: Loss in transit	90.424	2,511.27	227,079	11.291	1,516.94	17,128
	Sugarcane received at factory gate.	1,142,669.268	2,511.27	2,869,549,179	1,022,696.505	1,516.94	1,551,364,752
2	Commission.						
3	Quality premium						
4	Unloading & Feeding of Cane	1,142,669.268	0.11	128,625	1,022,696.505	0.16	163,632
5	Cane development expenses.			24,349,918			796,379
	(a) Salaries and wages of Supply and Dev. Staff	1,142,669.268	20.18	23,055,214	1,022,696.505	14.40	14,724,999
	(b) Sugarcane Development Research				1,022,696.505	0.00	0
	© Supply staff and transportation expenses.	1,142,669.268	3.68	4,209,598	1,022,696.505	2.72	2,783,448
	(d) Other expenditure.(Misc Procurement Exp)	1,142,669.268	1.81	2,072,192	1,022,696.505	0.64	658,771
6	Taxes and Levies:						
	(a) Cane cess	1,142,669.268	18.75	21,426,671	1,022,696.505	12.50	12,783,847
	(b) Market Committee fee	1,142,669.268	5.00	5,713,793	1,022,696.505	5.00	5,113,535
	© Road cess						
	(d) Octroi. (Toll Tax)	1,142,669.268	0.00	0	1,022,696.505	0.14	144,030
	(e) Other levies						0
7	Transportation Charges:						
	(a) Delivery expenses	1,142,669.268	38.14	43,576,785	1,022,696.505	28.80	29,452,876
	(b) Transport subsidy						
	© Others						
8	Other Expenditure at Cane Collection Centers:						
	(a) Salaries and Wages	1,142,669.268	3.34	3,813,983	1,022,696.505	1.44	1,468,890
	(b) Stores						
	© Repairs and Maintenance.	1,142,669.268	0.70	805,420	1,022,696.505	0.49	502,841
	(d)Others.	1,142,669.268	0.04	44,673	1,022,696.505	0.00	0
9	Total cost of sugarcane transferred to production process(Annex -1)	1,142,669.268	2,624.53	2,998,973,130	1,022,696.505	1,584.02	1,619,975,128

Ranjit

Shamsher Khan

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF BEET CONSUMED
FOR THE YEAR ENDED 30th SEPTEMBER-2009

Sr. No.	Particulars	Current Year 2009			Previous Year- 2008		
		Quantity (in M. Tons)	Rate (Rs. / M. Tons)	Amount (Rs.)	Quantity (in M. Tons)	Rate (Rs. / M. Tons)	Amount (Rs.)
1	2	3	4	5	6	7	8
1	Total Beet Purchased at Govt. Fixed rate. Less: Loss in Transit Beet received at factory gate.						
2	Commission Paid						
3	Loading un-Loading						
4	Beet Development Expenses a. Salaries & Wages of supply and Dev. Staff. b. Sugar Development Research c. Supply Staff and Transportation Expenses. d. Other expenditures.						
5	Taxes & Levies (if any) a. Purchase Tax. b. Market Committee Fee. c. Road Cess. d. Octoroi e. Other Levies.						
6	Transportation Charges: a. Delivery Expenses/Travelling from purchases center to mill gate b. transport Subsidy c. Others.						
7	Other Expenditures at Best Collection Centers: a. Salaries & Wages. b. Stores. c. Repair & Maintenance. d. Others.						
	Total Cost of "BEET" Transferred to production process (Annex-1)						

NOT APPLICABLE

Ramkumar

Ramkumar

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF PROCESS MATERIAL CONSUMED
FOR THE YEAR ENDED 30th. SEPTEMBER 2009

S.No	Particulars	Curreant Year-2009		Previous Year-2008	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
(1)	(2)	(3)	(4)	(5)	(6)
	Total Sugar Produced 2009 - 105,600.800 Tons Total Sugar Produced 2008 - 92,702.750 Tons				
1	Phosphoric Acid	9,410,496	89.11	3,502,699	37.78
2	Filter Acid.(HCL)	90,267	0.85	26,468	0.29
3	Bleaching Powder	283,065	2.68	172,156	1.86
4	BIO CIDE	54,600	0.52	102,300	1.10
5	Chemfloc 56 HP	470,730	4.46	444,615	4.80
6	Colour Quest 55	7,951,552	75.30	5,889,696	63.53
7	Chem Float - 100	107,630	1.02	151,620	1.64
8	Polymer A 2125	181,879	1.72	0	0.00
9	Polymer A 110	137,976	1.31	0	0.00
10	Chemrite PR-1	0	0.00	100,320	1.08
11	Accofloc A-110PWG	157,763	1.49	101,426	1.09
12	Acid Inhabitor (Kafzol RN)	299,350	2.83	0	0.00
13	Chemrite FD 30 DC Antifoam	9,362	0.09	2,188	0.02
14	Formaline.	154,712	1.47	230,468	2.49
15	Unslaked Lime	3,741,677	35.43	2,036,404	21.97
16	Soda Ash	299,747	2.84	118,810	1.28
17	Solid Caustic Soda.	1,694,292	16.04	875,990	9.45
18	Sodium Meta Phosphate	157,628	1.49	108,549	1.17
19	Common Salt	15,771	0.15	2,941	0.03
20	Tri Sodium Phosphate(Chem Float A 100)	27,980	0.26	9,000	0.10
21	Visc Aid	98,072	0.93	56,136	0.61
22	Acrylicacid Powder	0	0.00	0	0.00
23	Talo Floate A-100	0	0.00	0	0.00
24	Others	0	0.00	6,792	0.07
25	Laboratory Chemicals.	897,492	8.50	1,197,493	12.92
26	Lubricants and Grease.	14,966,427	141.73	7,530,704	81.23
27	Filter Cloth	343,675	3.25	147,728	1.59
28	Fly Ash Catcher	0	0.00	5,535	0.06
29	Amberlite	0	0.00	110,925	1.20
	Total.	41,552,143	393.48	22,930,963	247.35
	Less allocated to _____				
	(a) Electric generation.	0	0	0	0
	(b) Steam generation.	0	0	0	0
	(c) Raw Material	0	0	0	0
	(d)Admin Expenses	0	0	0	0
	(e)Selling and Distribution Expenditure.	0	0	0	0
	(f) Any Other Specify -	0	0	0	0
	Balance Transferred to Cost Of Production (Annex-1)	41,552,143	393.48	22,930,963	247.35

Ranjit

Shamir Khan

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF SALARIES , WAGES AND BENEFITS
FOR THE YEAR ENDED 30th. SEPTEMBER 2009.

S.No	Particulars	This Year 2009		Previous Year-2008	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
(1)	(2)	(3)	(4)	(5)	(6)
	Total Sugar Produced 2009 - 105,600.800 Tons Total Sugar Produced 2008 - 90,702.75 Tons				
	Cost:				
1	Salaries / Wages				
(i)	Officers and Permanent Staff.	82,267,379	779.04	47,722,398	526.14
(ii)	Seasonal Staff.	6,176,962	58.49	2,792,956	30.79
(iii)	Daily rated and Contract Labour.	60,357,817	571.57	40,406,138	445.48
(iv)	Bonuses.	31,491,078	298.21	18,840,959	207.72
	Benefits:				
(i)	Medical Expenses.	1,522,038	14.41	1,372,146	15.13
(ii)	Canteen Expenses.	149,056	1.41	103,747	1.14
(iii)	Welfare , Recreation.	1,762,074	16.69	962,520	10.61
(iv)	Transport and Traveling.	0	0	0	0.00
(v)	Education cess / Expenses.	63,192	0.60	71,000	0.78
(vi)	Group Insurance / Workmen	464,201	4.40	266,176	2.93
(vii)	Prov.Fund (Employer 's contribution)	0	0	0	0.00
(viii)	Gratuity / Pension.	5,152,531	48.79	1,932,970	21.31
(ix)	Other Benefits (E.O.B.I.).	3,199,841	30.30	1,517,063	16.73
(x)	Earned Leave	1,376,322	13.03	0	0.00
(xi)	Social Security Contribution	2,167,792	20.53	0	0.00
(xii)					
(x)	Total:	196,150,283	1,857.47	115,988,074	1278.77
(x i)	Less allocated to----				
	(a)Raw Material.	26,869,197	254.44	16,193,889	178.54
	(b) Electricity Generation.	14,287,417	135.30	10,432,493	115.02
	(c)Steam Generation.	12,240,027	115.91	7,014,920	77.34
	(d)Admin Expenses.	66,349,642	628.31	35,522,928	391.64
	(e)Selling and Distribution Expenses	2,940,183	27.84	2,559,089	28.21
	(f) Any Other Specify.				0.00
	Total	122,686,466	1,161.79	71,723,319	790.75
	Balance transferred to production process (Annexure -1)	73,463,817	695.67	44,264,754	488.02

Ranjit

Shri Ram Kishan

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF STEAM GENERATED / CONSUMED
FOR THE YEAR ENDED 30th. SEPTEMBER 2009

<u>S.No.</u>	<u>Particulars</u>	<u>Unit</u>	<u>Currant Year</u> <u>2009</u>	<u>Previous</u> <u>Year 2008</u>	<u>Variance</u>
(1)	(2)	(3)	(4)	(5)	(6)
	Types of steam boilers used (Water Tubes)				
1	No. of days worked.		90.30	124.30	-34.00
2	Installed capacity (steam in tonnes)	Ton	736,831.00	656,282.00	80,549.00
3	Utilized capacity (steam in tonnes)	Ton	640,463.00	523,019.00	117,444.00
4	Production:				0.00
	(a) High pressure steam.				0.00
	(b) Medium pressure steam.	Ton	640,463.00	523,019	117,444.00
	(c) Low pressure steam.				0.00
	(d) less: transit losses.	Ton	640.46	523.02	117.44
	(e) Total.	Ton	639,822.54	522,495.98	117,326.56
5	Percentage of capacity utilization (3/2 * 100).		86.92	79.69	7.23

S.No	Particulars	This Year 2009			Previous Year-2008		
		Quantity M.Ton	Rate per Unit Rs	Amount Rs.	Quantity M.Ton	Rate per Unit Rs	Amount Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Water			52,777,789	0		76,359,982
2	Fuels:						
	(a) Bagasse:						
	(i) Own (incl.handling exp.)	343,077.13	1,211	415,466,406	308,832.50	1506	465,101,749
	(ii) Purchased.				0.00	0	0

Prabir

Shamsher Khan

S.No	Particulars	This Year 2009			Previous Year-2008		
		Quantity M.Ton	Rate per Unit Rs	Amount Rs.	Quantity M.Ton	Rate per Unit Rs	Amount Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	(b) Pith.				0.000	0	0
	© Coal purchased.				0.000	0	0
	(d) Furnace Oil	49.755	23,184.54	1,153,547	9.864	17,765.31	175,237
	(e) Fire wood	283.484	4,611.94	1,307,411	113.955	3,305.91	376,725
	(f) Gas			0	0.000	0	0
	(g) Other fuels, if any(to be specified)			0	0.000	0	0
3	Quantity of waste heat from the plant,if any.			0	0.000	0	0
4	Consumable Stores.				0.000	0	0
5	Direct salaries,Wages and benefits.			12,240,027	0.000	0	7,014,920
6	Repair and maintenance.			13,180,946	0.000	0	23,198,323
7	Other direct expenses (e.g.Boiler insp fee.etc)			30,000	0.000	0	35,000
8	Insurance.			0	0.000	0	0
9	Depreciation.			10,578,873	0.000	0	9,532,081
	Total cost of steam raised. (After Loss)	639,822.54	791.99	506,734,994	522,495.98	1113.490	581,794,017
10	Less:Outside sale.						
	Add:Cost of steam purchased.						
11	Total Cost of Steam Consumed.	639,822.54	791.99	506,734,994	522,495.98	1113.490	581,794,017
12	ALLOCATION						
	Total of item 12 allocated to-----						
	(i) White Bagged Sugar.	401,510.39	791.99	317,993,430	354,660.41	1113.490	394,910,793
	(ii) Electric powerhouse (Annex-8)	238,312.15	791.99	188,741,564	167,835.58		186,883,224
	(iii) Others.				0		0
	(a) Staff colony				0		0
	(b) Office building ,etc.				0		0
	Total	639,822.54		506,734,994	522,495.98		581,794,017

Ranjit

Sharma Khan

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT OF COST OF ELECTRIC POWER PURCHASED / GENERATED AND CONSUMED
FOR THE YEAR ENDED 30th. SEPTEMBER 2009

	<u>Year 2009</u>	<u>Year 2008</u>	<u>Variance.</u>	
1	Installed Capacity (15,200KW)	37,963,520	29,145,600	8,817,920
2	No. of units generated (KWH).	22,031,940	15,583,794	6,448,146
3	No. of units purchased (KWH).	1,755,812	1,621,372	134,440
4	Total (2+3).	23,787,752	17,205,166	6,582,586
5	Consumption in Power House including other losses.	2,203,194	1,558,379	644,815
6	Net units consumed (4-5).	21,584,558	15,646,787	5,937,771
7	Percentage of consumption and losses to total units Available = 5/4 * 100.	9.262	9.058	0.20
8	Percentage of power genrated to installed capacity 2/1 * 100.	58.03	53.47	4.57

S.No	Particulars	This Year 2009			Previous Year-2008		
		Quantity Units	Rate Rs./Unit	Amount Rs.	Quantity Units	Rate Rs./Unit	Amount Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Steam (Annex 7).	238,312.15		188,741,566	167,835.58		186,883,224
2	Consumable Stores.				0	0	0
3	Salaries and Wages.(A-6)			14,287,417	0	0	10,432,493
4	Other direct expenses. (Diesel For Generator)			7,713,208	0	0	1,816,664
5	Repair and maintenance.			9,750,349	0	0	5,015,596
	Generator Rental	0		0			600,000
6	Duty on electricity			1,102,156	0	0	602,395
7	Depreciation.			6,091,231	0	0	4,545,812
	Total.			227,685,927	0	0	209,896,185
8	* Less: (a) Credit for exhaust steam used in process etc.0.88%			(166,092,578)	0	0	(164,457,237)
	(b) Other credits ,if any.				0	0	
9	Cost of power generated.			61,593,349	0	0	45,438,947
10	Less:cost of power sold.	(1,471,177)	6.84	(10,059,908)	(1,238,424)	0	(2,432,930)
11	Add: cost of power purchased.			13,109,343	0	0	10,490,259

Ranjit

Shamir Khan

S.No	Particulars	This Year 2009			Previous Year-2008			
		Quantity Units	Rate Rs./Unit	Amount Rs.	Quantity Units	Rate Rs./Unit	Amount	Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
12	Total net cost of power consumed.			64,642,784			53,496,276	
13	Cost per unit average.	19,381,364	3.34	64,642,784	14,088,407	3.80	53,496,276	
	Total at item 12 allocated to-----							
	(i) White bagged sugar	18,678,874	3.34	62,299,766	12,501,081	3.80	47,468,907	
	(ii) Self - consumption.							
	(iii) Others							
	(a) Staff colony	494,274	3.34	1,648,555	1,009,536	3.80	3,833,394	
	(b) Office building	193,814	3.34	646,428	140,884	3.80	534,963	
	(c) Other (Tubewell)	14,402	3.34	48,035	436,906	3.80	1,659,013	
14	Total			64,642,784			53,496,276	

Ranjit

Shamsher Khan

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING OTHER FACTORY OVERHEADS
FOR THE YEAR ENDED 30th. SEPTEMBER 2009

S.No	Particulars	Amount in Rupees			
		This Year 2009		Previous Year 2008	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
(1)	(2)	(3)	(4)	(5)	(6)
	Total Sugar Produced 2009 - 105,600.800 Tons Total Sugar Produced 2008 - 92,702.75 Tons				
	Cost:				
1	Rent, Rate and Taxes.	643,860	6.10	805,458	8.69
2	Printing and Stationery.	1,248,626	11.82	557,311	6.01
3	Postage and Telegram	65,917	0.62	52,700	0.57
4	Telephone Fax and Telex.	272,826	2.58	177,977	1.92
5	Travelling and Conveyance.	411,424	3.90	291,541	3.14
6	Subscription, Books and Periodicals	0	0.00	0	0.00
7	Entertainment.	943,046	8.93	211,579	2.28
8	Vehicle Running Expenses.	1,717,399	16.26	1,147,360	12.38
9	Repair and Maintenance	1,660,099	15.72	2,883,244	31.10
10	Fire Fighting	170,954	1.62	131,897	1.42
11	Other Expenses		0.00		0.00
12	Total	7,134,151	67.56	6,259,067	67.52
	Allocated to----				0.00
	(i) white Bagged Sugar.	7,134,151	67.56	6,259,067	67.52
	(ii) Electric Power House.	0	0	0	0.00
	(iii) Steam Generation.	0	0	0	0.00
	(iv) Others:	0	0	0	0.00
	(a) Staff Colony.	0	0	0	0.00
	(b) Office Building etc.	0	0	0	0.00
	Total as per item 12 above.	7,134,151	67.56	6,259,067	67.52

Ranjit

Shamir Khan

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 30th. SEPTEMBER 2009

S.No	Particulars	This Year-2009		Previous Year-2008	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
(1)	(2)			(3)	(4)
1	Total Sugar Sold 2009 - 98,151.500 Tons Total Sugar Sold 2008 - 86,872.200 Tons	2,944,432,830	29,998.86	2,259,317,336	26,007.37
2	Cost:				
	Director Remuneration	3,825,000	36.22	2,640,000	30.39
	Salaries, Wages and Benefits (A- 6).	66,349,642	628.31	35,522,928	408.91
	Rent, Rates and Taxes.	1,266,179	11.99	880,247	10.13
	Insurance.	189,038	1.79	15,698	0.18
	Water, Gas and Electricity.	489,203	4.63	238,906	2.75
	Printing and Stationery	1,495,619	14.16	1,069,301	12.31
	Postage and Telegram.	263,668	2.50	210,800	2.43
	Telephone Fax and Telex.	1,440,854	13.64	1,018,510	11.72
	Repair and Maintinance.Building	1,021,975	9.68	2,876,118	33.11
	Travelling and Conveyance.	1,815,732	17.19	1,568,786	18.06
	Subscription Books and Priodicals.	30,590	0.29	35,241	0.41
	Entertainment.	2,310,679	21.88	1,197,703	13.79
	Advertising.	80,390	0.76	88,380	1.02
	Legal and Professional Expenditure.	4,627,626	43.82	1,354,467	15.59
	Auditor's Remuneration.	390,500	3.70	365,000	4.20
	Vehicle Running Expenses.	4,790,589	45.37	3,099,029	35.67
	Charity and Donation.	1,800,270	17.05	31,260	0.36
	Fee and Subscription	1,466,967	13.89	337,130	3.88
	Ijarah Rentals	33,155,467	313.97	0	0.00
	Depreciation	3,167,362	29.99	1,686,472	19.41
	Others.	3,670,017	34.75	3,225,363	37.13
	Total	133,647,367	1,265.59	57,461,339	661.45

Randy

Sharon Khan

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING SELLING EXPENSES
FOR THE YEAR ENDED 30th. SEPTEMBER 2009

S.No	Particulars	This Year-2009		Previous Year-2008	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
(1)	(2)			(3)	(4)
1	Total Sugar Sold 2009 - 98,151.500 Tons Total Sugar Sold 2008 - 86,872.200 Tons	2,944,432,830	29,998.86	2,259,317,336	26,007.37
2	Cost:				
	Salaries,Wages and Benefits (Annex 6).	2,940,183	29.96	2,559,089	29.46
	Travelling and Conveyance.	0	0.00		0.00
	Commission.	844,570	8.60	509,100	5.86
	Freight outward.	4,574,493	46.61	6,082,546	70.02
	Stacking / Restacking.	5,546,204	56.51	5,429,251	62.50
	Loading / Unloading.	1,336,110	13.61	1,406,200	16.19
	Export Expenses.	0	0.00	0	0.00
	Vehicle Running Expenses.	0	0.00	0	0.00
	Advertising for Sales Promotion	0	0.00	0	0.00
	Insurance	974,465	9.93	359,053	4.13
	Other Expenses.	751,325	7.65	1,192,218	13.72
	Total .	16,967,350	172.87	17,537,457	201.88

Ranjit

Shamir Khan

THE TAHL INDUSTRIES CORPORATION LIMITED
Reconciliation of Cost of Goods Sold
Year Ended September 30, 2009

Cost of goods sold as per cost accounts		3,373,256,133
Add: Amounts taken in sales in financial accounts but deducted from cost in cost accounts		
Sale of Molasses		255,938,884
Sale of Electricity		10,059,908
Sale of Baggasse		120,876
Sale of Press Mud		588,692
		266,708,360
Add: Baggasse handling charges deducted from cost in cost accounts but not taken in financial accounts		3,733,294
Less: Amounts included in admin expenses in cost accounts but included in cost of sales in financial accounts		
Admin expenses as per cost accounts:	133,647,367	
Admin expenses as per financial accounts:	<u>135,828,136</u>	(2,180,769)
Add: Amounts included in selling expenses in cost accounts but included in cost of sales in financial accounts		
Selling and distribution expenses as per cost accounts	16,967,350	
Selling and distribution expenses as per financial accounts	<u>16,813,778</u>	153,572
Less: Water cost		(52,777,789)
Less: Expenses included in cost accounts but not taken in financial accounts		
Sales tax and excise duty		<u>(443,843,848)</u>
Cost of goods sold as per financial accounts		3,145,048,953


Chartered Accountants


ASHIQ & COMPANY
Chartered Accountants
 48/51- Trust Plaza LMQ Road
 Multan. Ph# 4515031

THE TAHL INDUSTRIES CORPORATION LIMITED
Reconciliation of Cost of Goods Manufactured
Year Ended September 30, 2009

Cost of goods manufactured as per cost accounts		3,311,398,150
Add: Amounts taken in sales in financial accounts but deducted from cost in cost accounts		
Sale of Molasses		255,938,884
Sale of Electricity		10,059,908
Sale of Baggasse		120,876
Sale of Press Mud		588,692
		<u>266,708,360</u>
Add: Baggasse handling charges deducted from cost in cost accounts but not taken in financial accounts		3,733,294
Add: Packing Material		34,514,653
Less: Water cost		(52,777,789)
Less: Amounts included in admin expenses in cost accounts but included in cost of goods manufactured in financial accounts		
Admin expenses as per cost accounts:	133,647,367	
Admin expenses as per financial accounts:	<u>135,828,136</u>	(2,180,769)
Add: Amounts included in selling expenses In cost accounts but included in cost of goods manufactured sales in financial accounts		
Selling and distribution expenses as per cost accounts	16,967,350	
Selling and distribution expenses as per financial accounts	<u>16,813,778</u>	<u>153,572</u>
Cost of goods manufactured as per financial accounts		3,561,549,471

Chartered Accountants


ASHIQ & COMPANY

Chartered Accountants
48/51- Trust Plaza LMQ Road
Multan. Ph# 4515031

THE TAHL INDUSTRIES CORPORATION LIMITED

**Reconciliation of Administrative Expenses
Year Ended September 30, 2009**

Administrative expenses as per cost accounts	133,647,367
Add: Expenses included in financial accounts but not taken in cost accounts	
Postage & Telegrams	65,917
Telephone & Telex	272,826
Firefighting	170,954
Repair & Maintenance	1,660,099
Staff Welfare & Others (Charged to Selling & Distribution)	10,973
	<u>2,180,769</u>
Administrative Expenses as per financial accounts	135,828,136


Chartered Accountants


ASHIQ & COMPANY
Chartered Accountants
48/51- Trust Plaza LMQ Road
Multan. Ph# 4515031

THE TAHL INDUSTRIES CORPORATION LIMITED
Reconciliation of Selling and Distribution Expenses
Year Ended September 30, 2009

Expenses as per cost accounts	16,967,350
Less: Expenses included in cost accounts but not taken in financial accounts	
Medical expenses	17,150
Conteen Subsidy	6,636
Staff Welfare	76,452
Education	2,813
Insurance	6,508
Gratuity	44,013
	<u>153,572</u>
Expenses as per financial accounts	16,813,778


Chartered Accountants


ASHIQ & COMPANY
Chartered Accountants
48/51- Trust Plaza LMQ Road
Multan. Ph# 4515031

The Thal Industries Corporation Ltd
Reconciliation of Financial Charges
For The Year Ended 30th.September 2009

	2009 Rupees
Financial Charges as per Financial Accounts	196,217,772
Less:	
Profit on Deposit	<u>164,308</u>
Financial Charges as per Cost Accounts	196,053,464


Chartered Accountants

