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COST AUDITORS' REPORT ON COST STATEMENTS OF THE THAL INDUSTRIES CORPORATION LIMITED FOR THE YEAR ENDED SEPTEMBER 30, 2021

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The Executive Director
Enforcement & Monitoring Division
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue,
Islamabad, Pakistan.

March 29, 2022
T-64/AA-0061/22

COST REPORT- AUDIT OF COST STATEMENTS OF THAL INDUSTRIES CORPORATION LIMITED FOR THE YEAR ENDED SEPTEMBER 30, 2021

Dear Sir,

We are pleased to enclose our Report on the above referred engagement.

We shall be pleased to respond to any queries that you may have as to the contents of our Report.

Original paid challan No. M-2022-402336 dated 29/02/2022 for Rs. 1,345 being filing fee of the above return is also enclosed.

Yours faithfully,

BDO Ebrahim & Co.

BDO EBRAHIM & CO.
Encl: As above

CC: Chief Executive, Thal Industries Corporation Limited
CC: The Registrar of Companies, Securities & Exchange Commission of Pakistan, Multan

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COST AUDITORS' REPORT TO THE DIRECTORS

We BDO EBRAHIM & CO., Chartered Accountants having been appointed to conduct an audit of cost accounts of The Thal Industries Corporation Limited ("the Company"), have examined the books of account and the statements specified under the first proviso to sub-section (1) of section 220 of the Companies Act, 2017 and other relevant record for the year ended on September 30, 2021 and report that:

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of this audit.

In our opinion:

(a) proper cost accounting records as required by first proviso to sub-section (1) of section 220 of the Companies Act, 2017 (XIX of 2017), and as required by these regulations, 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; and

(c) the said books and records give the information required by the regulations in the manner so required.

In our opinion and, subject to the 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, marketing, cost of sales, profit margin on indigenous and export sales and any other information of the product of the Company, namely White Refined Sugar.

The matter contained in the Appendix III forms part of this report and approved by the Board on March 25, 2022.

Other matter

We report that the corresponding figures in the cost statements (Appendix III) have not been audited and taken as per management representation.

LAHORE

DATE: 25 MAR 2022

BDO Ebrahim

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Imran

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COST AUDITORS' REPORT (APPENDIX III)
TO THE DIRECTORS OF THE THAL INDUSTRIES CORPORATION LIMITED
FOR THE YEAR ENDED SEPTEMBER 30, 2021

1. CAPACITY:

		2021 Audited	2020 Un-audited
(a) Licensed, installed and utilized capacity:			
Designed crushing capacity:			
Layyah Sugar Mills	Metric Tons / Day	15,000	15,000
Safina Sugar Mills	Metric Tons / Day	8,000	8,000
		23,000	23,000

(b) Percentage utilization

Capacity on the basis of operating days	Metric Tons	2,610,500	2,518,500
Actual crushing (utilized capacity)	Metric Tons	2,374,601	1,973,755
Percentage of capacity attained	%	90.96%	78.37%
Sugar production from cane	Metric Tons	228,107.00	189,842.60
Recovery of sugar cane	%	9.61	9.62

During the year, there is an increase in actual crushing compared to last year because of the increase in crushing days and better supply of cane as compared to last year.

(c) The Company is not engaged in any other activity except manufacturing and sale of white sugar, molasses and allied by-products.

(d) The Company owned this capacity. The Company has not engaged any leasing arrangements/loan/outsourcing in this regard.

2. COST ACCOUNTING SYSTEM:

Manufacturing of sugar is a continuous process. The Company uses financial and cost integrated accounting system which shows overall cost of production.

The Company is using integrated accounting software, whereby the cost accounts are integrated with the financial accounting records. The 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. All transactions related to costs of production are incorporated in the books of accounts and their effect is reflected in the costing reports. According to the Company's practice, the actual costs incurred during the year are allocated to the sugar manufactured during the year on actual basis.

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.

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Stock valuation of stores, spares and loose tools.
Direct cost of production departments.
Total cost of production departments.

We have assessed the functionality of the cost accounting system and found it adequate to determine the cost of Company's products correctly. 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.

3. PRODUCTION :

(a) Production in metric tons	2021 (Metric tons) Audited	2020 (Metric tons) Un-audited
White refined sugar	228,107.00	189,842.60
Total production	228,107.00	189,842.60

(b) Percentage utilization

Capacity on the basis of operating days	Metric Tons	2,610,500	2,518,500
Actual crushing (utilized capacity)	Metric Tons	2,374,601	1,973,755
Percentage of capacity attained	%	90.96%	78.37%

Explanation for shortfall

The under utilization of the capacity is mainly due to non-functionality and reduced efficiency of the outdated plant and machinery.

Explanation of variances

In current year, 20.16 % increase in sugar production can be attributed to 20.31 % increase in crushing as compared to last year. Sugar cane crushing was higher this year because of abundant supply of cane as compared to last year.

(c) Addition to production capacity

There is no increase in the production capacity during the year and immediately preceding two years. However, we recommend that a technical review is required to ascertain the correct production capacity as there is no documented evidence to confirm the capacity.

(d) Comparison of machine hours utilization (during crushing season)

	2021 Audited	2020 Un-audited	2019 Un-audited
Available hours	2,700	2,594	2,288
Utilized hours	2,564	2,110	2,092
% age	94.97%	81.31%	91.44%

Explanation of variances

Available hours is dependent upon no of working days i.e. 113.50 days (2020: 109.50 days). Comparative increase in utilization during current year is due to effective use of available hours. This year plant stops for lesser period i.e. 5.66 days (2020: 20.20 days) thus increasing the percentage of utilization in relation to installed capacity by 13.660 %. Main reason for more lost hours in 2020 was less supply of sugar cane in that financial year (FY).

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4. RAW MATERIALS:

(a) Consumption of major raw materials in terms of quantity and value:

Raw Materials	2021		2020	
	Quantity Consumed (metric tons)	Amount (Rupees)	Quantity Consumed (metric tons)	Amount (Rupees)
	Audited	Audited	Un-audited	
Sugarcane (See annexure – 3)	2,374,601	15,397,609,187	1,973,755	10,884,227,227
Process material (See annexure - 5)		131,389,762		110,629,649

(b) Consumption of major materials per unit of production:

Raw Materials	Actual Consumption Per Unit (per metric ton of Sugar)		
	2021	2020	2019
	Audited	Un-audited	Un-audited
Sugarcane (See annexure – 3)	10.410	10.397	9.818

Consumption of raw material per unit of production is dependent on many factors, such as sucrose contents/sugar recovery percentage, quality of sugarcane, elapsed time between sugarcane harvesting and crushing, distance from sugarcane field and factory site and un-interrupted milling/crushing etc.

Although no standard has been fixed for cane procured and consumed, company strives to consume fresh and clean cane. Since, the Company did not operate a 'Standard Costing System' ; comparison of actual raw material consumption with standard could not be made. Therefore, variances could not be worked out.

(c) Explanation of variances

Sugarcane yield depends upon the quality of sugarcane; and the quality varies with the maturity of the crop and quality of seed implanted in crop. Good quality of seed combined with higher maturity of crop means higher quality of sugar cane and higher yield of sugar. Raw material consumption of cane has increased by 400,846 metric tons from last year due to increased availability of sugarcane.

The variance in material consumption per metric ton is immaterial and it is because of almost same recovery in the current year i.e., 9.61 % as compared to last year's recovery 9.62 %.

(d) Accounting system for raw materials

Sugarcane is procured mainly at the mills directly and partially at depots situated at a number of locations. 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.

Sugarcane receipt at mills

The Company is using its in house developed Software Module named as Crop Management System (CMS) for recording the purchase Sugarcane at its mills. Sugarcane is brought to the factory using different modes of transportation e.g. trolleys, trucks, carts and trailers. Whatever the haulage is, a computerized token and gate pass is given to the haulage. At the weighing post the gross weight of the haulage is measured. The gross weight (Sugar Cane + Haulage) is entered into the database by an online weighing machine into the system. The haulage is then unloaded and at the weighing post the tare weight of the haulage is entered into the database by the same online weighing machine into the system. The net weight is automatically calculated by the software. After measuring the net weight, a computerized Cane Purchase Receipt (CPR) is generated. It is a document which acknowledges the supply of cane made by the grower and contains the net weight procured and amount payable to the grower. Upon the generation of CPR, an automated Purchase order is created in the CMS application with the net weight and amount payable to the grower based on the CPR. The purchase is recorded at the market value as already defined in system time to time. An automated receipt of the cane is recorded by the system based on the purchase order. The receipt is recorded at a value which is a sum of the cost of cane at PO and the direct procurement costs per unit like cane development cess, market committee fee, unloading charges etc.

The cane is issued to consumption as raw material consumed at cost.

Sugarcane receipt at depots

The depot is a purchase center where the Company purchases Cane and brings it to the factory using the transport of the contractor. The Company has opened depots at various places in order to increase and facilitate the sugar cane growers. A weigh bridge has been installed at each depot where a net weight of cane received is measured through laden and un-laden weight of haulage. Manual CPRs are then issued on weighing the sugarcane received at depots. The details of CPRs are entered in Cane Purchase Sheet of respective depots. Cane is then sent to the mills where it is weighed again and recorded in the system and a computerized CPR is generated against Cane received from respective depots. Thereafter the PO, receipt, issuance and accounting process takes place similar to the process of purchase at mills mentioned above.

Other direct material used in production

Other direct material used includes unslaked lime, soda caustic flakes, phosphoric acid, decolorizing agent etc. The Company has computerized inventory system in which all the material purchased is recorded at the respective rates in separate accounts and consumption is charged on daily basis at the moving average rate calculated by the system. The purchases are recorded by Product Receipts (PRs) while consumption is recorded on the basis of approved Internal Purchase Requisition (IPRs).

Transportation expenses during the year were Rs. 6.250 million (2020: Rs. 4.688 million).

The raw material is a domestic purchase.

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5. WAGES AND SALARIES:

(a) Wages and salaries paid to different categories of employees are as follows:

	2021 (Rupees)	2020 (Rupees)
	Audited	Un-audited
i. Direct labour cost on production	313,567,480	410,009,606
ii. Indirect employees cost on production	98,724,327	87,509,939
iii. Employees cost on administration	314,399,809	323,810,432
iv. Employees cost on selling and distribution	11,067,814	11,866,394
v. Other employees cost	-	-
Total wages and salaries	737,759,430	833,196,371
* vi. Bonus to workers and employees	165,140	139,711,088

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

(b) Salary and perquisites of directors and chief executive are as under:

Managerial remuneration and allowances amounting to Rs. 2.04 million (2020: Rs. 2.04 million) were paid to the Chief Executive while Directors have been given amount of Rs. 2.04 million (2020: Rs. 2.04 million) during the year. No meeting fee has been paid to the directors during the year. There is 1 (2020: 1) Chief Executive and 1 (2020: 1) Director.

The executive have been paid managerial renumeration and allowances amounting to Rs. 134.475 million (2020: Rs. 121.588 million) during the year. The executives have been provided free unfurnished accommodation with maintained car for Company's affairs only.

(c) Total man-days of direct labour for the year :

	(Days)	(Days)
	Audited	Un-audited
Available (days)	113.50	109.50
Actually worked (days)	106.84	89.33
Percentage	94.13%	81.58%

(d) Average number of workers including contracted labour during the year

1,797	1,792	

(e) Direct labour cost per unit of output of the product

		2021	2020	2019
		Audited	Un-audited	Un-audited
Total labour cost on production	(Rupees)	412,291,807	497,519,545	447,119,716
Direct labour cost on production	(Rupees)	313,567,480	410,009,606	350,253,753
Indirect labour cost on production	(Rupees)	98,724,327	87,509,939	96,865,963
Production of White Refined Sugar	(Metric tons)	228,107	189,843	204,406
Total labour cost per unit of output	(Rupees)	1,807.45	2,620.69	2,187.41
Direct labour cost per unit of output	(Rupees)	1,374.65	2,159.73	1,713.52
Indirect labour cost per unit of output	(Rupees)	432.80	460.96	473.89

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(f) **Variances:**

Decrease in total labour cost per unit of output on account of labour is due to increase in production from 189,843 MT in 2020 to 228,107 MT of 2021 as well as decrease in total salaries & wages expenses by Rs. 95.436 million in current year. Direct Labour Cost: The decease in direct labour cost by Rs. 96.442 million as compared to 2020 is mainly due to bonus expense of Rs. 139.711 million in the 2020 as compared to Rs. 0.165 million in 2021. Indirect Labour Cost: In current Year, Indirect labour cost has increased by Rs. 11.214 million as compared to last year due to the fact of annual increment in salary.

(g) **Incentive schemes:**

Bonus scheme is in place which is based on the discretion of the Board of Directors and covers the permanent employees of the Company. No bonus has been provided/recognized during the year 2021. However, in prior year 2020, three bonuses are recognized in bonus expense. There is also an increment in salaries of all of the employees of the company in 2021.

Due to less bonuses and increments during the year, total direct and indirect labour costs have decreased as compared to last year. Also increased average no. of workers employed during the year has an impact.

		2021	2020
Cost of bonus per metric ton of output (Annexure-6)	(Rupees)	Audited	Un-audited
		0.72	735.93

6. **STORES AND SPARE PARTS:**

(a) **Expenditure per unit of output on stores and spare parts:**

		2021	2020
		Audited	Un-audited
Process material (Annexure 5)	(Rupees)	131,389,762	110,629,649
Consumable stores	(Rupees)	11,427,481	8,814,329
Packing material	(Rupees)	120,904,345	99,548,372
Total store and spares consumed	(Rupees)	263,721,588	218,992,350
Production of sugar	(Metric tons)	228,107.00	189,842.60
Stores and spares per unit of production	(Rupees)	1,156.13	1,153.55

Explanation of variances

Consumption of chemicals and stores has increased by Rs. 23.37 million i.e. 20% as compared to last year, this increase is mainly due to high price charged by the supplier for process chemicals as well as increase in production. Similarly packing material consumption have increased by Rs. 21.355 million i.e. 21% this is because of increase in production of sugar in current year.

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(b) System of stores accounting

Receipt recording

The Company follows perpetual method of accounting for stores and spares. These are valued at moving average cost except stores in transit which are stated at cost comprising invoice value plus other charges paid thereon. 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.

Consumption recording

Stores and spares consumption is recorded on the basis of Internal Purchase Requisitions (IPRs) valued on the basis of moving average rate having separate code for each type of material in stores. The store department receives the IPRs and then by properly authorizing the issue, the store item is issued to the relevant department.

Allocation

Stores and spare consumption is based on actual consumption towards various cost centers.

(c) Proportion which have not moved for over twenty four months:

	2021 (Rupees) Audited	2020 (Rupees) Un-audited
Total stores and spares	752,263,119	683,656,187
Slow moving stores	23,180,874	29,427,353
% age	3%	4%
Not moved for over twelve / (2020 twenty four) months	23,180,874	29,427,353

No provisions have been made against the above given items which have not been moved for over one to two years. According to management these items can be utilized in plant's normal course of operation during its useful life and are not technically obsolete.

7. DEPRECIATION:

(a) Method of depreciation

Depreciation on operating fixed assets except freehold land is charged to income applying reducing balance method so as to write-off the depreciable amount of an asset over its remaining useful life. Depreciation on additions to operating fixed assets is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the assets are disposed off/ retired. The depreciation method and useful lives of items of operating fixed assets are reviewed and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing the depreciation charged for the current and future periods.

(b) Basis of allocation of depreciation on common assets

Depreciation on assets identifiable to various cost centers is charged on actual basis while deprecation for assets under common use is charged to cost centers on the basis of services rendered to the respective departments i.e. 10% Admin and 80% Cost of sales.

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(c) Basis of charging depreciation to cost of products

The depreciation of depreciable assets relating to units involved in the manufacturing of product is charged to the cost of production.

8. OVERHEADS:

(a) Overheads and break up of items specified

	2021 (Rupees) Audited	2020 (Rupees) Un-audited	2019 (Rupees) Un-audited
i. Factory overheads			
Indirect labour	98,724,327	87,509,939	96,865,963
Rent, rate and taxes	-	-	61,200
Printing and stationery	1,205,391	418,894	985,807
Postage and telegram	45,847	44,812	67,369
Telephone fax and telex	1,662,648	1,352,364	1,331,576
Traveling and conveyance	2,106,889	1,427,029	1,016,079
Entertainment	1,385,426	1,268,873	748,350
Vehicle running expenses	97,488,703	59,203,578	53,260,015
Repair and maintenance buildings	11,991,662	4,919,492	11,498,469
Fire fighting	1,088,826	4,066,704	559,657
Other expenses	1,384,940	766,463	875,933
	217,084,659	160,978,148	167,270,418
ii. Administration overheads			
Director remuneration	4,080,000	4,080,000	4,080,000
Salaries, wages and benefits	314,399,809	323,810,432	279,592,345
Rent, rates and taxes	3,491,259	5,653,719	13,568,399
Insurance	459,290	381,227	560,571
Water, gas and electricity	4,461,832	5,057,583	3,460,621
Printing and stationery	5,468,613	4,155,974	3,965,186
Postage and telegram	183,389	179,248	269,476
Telephone fax and telex	6,650,594	5,409,454	5,326,303
Repair and maintenance	13,977,845	7,867,022	13,080,532
Traveling and conveyance	3,239,483	5,838,152	5,070,953
Books and periodicals	63,650	53,198	64,962
Entertainment	2,559,330	9,853,333	11,769,748
Advertising	1,674,533	298,806	629,207
Legal and professional expenditure	50,809,680	87,389,203	40,351,941
Auditor's remuneration	2,068,583	1,880,530	1,888,660
Vehicle running expenses	29,284,112	27,792,973	23,397,809
Charity and donation	5,750,050	50,369,564	3,760,545
Fee and subscription	10,136,484	8,625,224	18,808,308
Depreciation and Amortization	54,260,780	51,400,750	32,109,953
Others	89,166,602	20,835,345	22,031,362
	602,185,917	620,931,738	483,786,882

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	2021 (Rupees) Audited	2020 (Rupees) Un-audited	2019 (Rupees) Un-audited
iii. Selling and distribution overheads			
Salaries, wages and benefits	11,067,814	11,866,394	11,233,283
Commission	14,023,425	9,459,060	12,158,724
Freight outward	136,922,213	87,247,982	163,640,149
Stacking / restacking	30,823,768	19,650,232	39,695,938
Loading / unloading	11,289,566	9,910,027	12,873,991
Numbering expenses	698,625	625,167	607,327
Insurance	5,041,012	4,828,490	4,490,346
Other expenses	3,193,655	1,624,128	22,657,270
	213,060,078	145,211,480	267,357,028
iv. Financial charges	462,855,194	774,018,457	659,773,607
GRAND TOTAL	1,495,185,848	1,701,139,824	1,578,187,934

(b) Reasons for variances

(i) Factory Overheads: There is increase in factory overheads of Rs. 56.106 million by 35% in current year as compared to 2020 which is mainly due to increase in indirect labour cost by Rs. 11.214 million because of minimum wages increased & increments in salary. Also vehicle running cost has increased this year by Rs. 38.285 million which is due to increase in fuel prices and additions in vehicles repairing charges.

(ii) Administrative Overheads: There is a decrease in administrative expenses in current year by Rs. 18.745 million (3%) which is mainly due to decrease in legal and professional charges by Rs. 36.579 million in current year. Further, the salaries wages and other benefits has also decreased by Rs. 9.410 million (3%) as no bonus expense has been provided/recognized during the current year.

(iii) Selling and Distribution Overheads: The selling and distribution overheads for the year increased by 47%, Rs. 67.848 million as compared to 2020. This increase is mainly because of the increase in freight outward and stacking restacking charges by 57% each which is mainly because of increase in sugar sales volume and production.

(iv) Financial Charges: The finance cost has decreased by Rs. 311.163 million i.e. 40% as compared to 2020. After start of COVID 19 pandemic in Pakistan in March 2020, SBP gradually decreased the KIBOR from 12% (in March 2020) to 7.25% in current year. Moreover early sales of sugar stock and sales proceeds received; that made us able to reduced the interest expense on short term borrowings by making early payment of running finance balances in current year. Principal repayment of long term loans also contributed to decrease in current year expense.

(c) Basis of allocation

Identifiable costs are separately allocated to each cost center, while common costs are allocated on some rational basis like telephone, postage and telegram are allocated on the basis 20% to production and 80 % to administration and building repair and maintenance is allocated 80% to production and 20 % to administration.

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(d) Cost of packing

	2021	2020
	Audited	Un-audited
Total Sugar produced (metric tons)	228,107	189,843
Packing materials/number of bags consumed (rupees)	120,904,345	99,548,372
Cost per metric ton of sugar (rupees per metric ton)	530.03	524.37
Stores and spares consumed (rupees)	263,721,588	218,992,350
Cost per metric ton of sugar (rupees per metric ton)	1,156.13	1,153.55

9. ROYALTY PAYMENTS:

No royalty or technical aid payments have been made during the year.

10. ABNORMAL AND NON-RECURRING FEATURES:

(i) There were no abnormal features like strikes, lockouts, major breakdowns in the plant and serious accidents affecting production during the year.

(ii) There were no abnormal expenses incurred during the year that have been charged to the products.

11. COST OF PRODUCTION:

	2021 (Rupees)	2020 (Rupees)
	Audited	Un-audited
Cost of goods manufactured	14,727,474,065	10,424,466,586
Cost per metric ton of goods manufactured	63,735.35	54,597.95
Cost to make and sell	19,640,161,481	14,957,314,058
Cost per metric ton of packed Sugar	84,995.74	78,338.66

Cost of goods manufactured has been increased by Rs. 4,303.007 million i.e. 41.28 % higher than previous year. This increase in the cost of goods manufactured is mainly because of 20.31 % increase in quantity of sugar cane crushed, 18% increase in average purchase cost of sugar cane and partially due to 22% increase in repair & maintenance cost. Average cane purchase cost is Rs. 259.37 per maund in current year (2020: Rs. 220.58 per maund). Cost to make and sell is increased by Rs. 4,682.85 million i.e. 31.31 % due to the same reason as stated above.

Cost of sale per metric ton of production of white bagged sugar has increased by Rs. 6,657.08 metric ton and total cost of production has increased by 31.31% by Rs. 4,682.85 million as compared to last year. This is mainly due to impact of closing stock; in previous year opening stock was Rs. 1,537,727,208 and closing stock was Rs. 971,474,592. But in current year opening stock was Rs. 971,474,592 and closing stock is Rs. 608,277,505. Net impact of stock of finished goods in previous year is Rs. 566,252,616 and in current year Rs. 363,197,087. This variation of stock of finished goods resulted in increase in per unit cost of production.

12. SALES:

	2021 (Metric tons) Audited	2020 (Metric tons) Un-audited
(a) Net sales realization		
Sales white sugar (own manufactured)	240,274.85	205,867.10
Export of white sugar (own manufactured)	-	-
Total Sales	240,274.85	205,867.10

	2021		2020	
	Rupees	Rupees per metric ton	Rupees	Rupees per metric ton
	Audited		Un-audited	
Local sales white sugar (own manufactured)	21,721,318,336	90,402	16,176,664,922	78,578
Less: Sales Tax / Special Excise duty	(3,150,484,795)	(13,112)	(2,326,884,808)	(11,303)
Net Sales	18,570,833,541	77,290	13,849,780,114	67,275

The company sold 4,805,497 bags of 50 kg each (2020: 4,117,342 bags) of White Refined Sugar during the year. The selling price of sugar has been increased as compared to last year due to demand of sugar against domestic needs.

The above does not include sales of by products and related sales tax amounting to Rs. 3,059.569 million and Rs. 206.021 million, respectively.

13. PROFITABILITY:

	2021		2020	
	Rupees	Rs. per metric ton	Rupees	Rs. per metric ton
	Audited		Un-audited	
Gross Sugar Sales (own manufactured)	21,721,318,336	90,402	16,176,664,922	78,578
Total Cost to make & sell (Annexure - I)	19,640,161,481	84,996	14,957,314,058	78,339
Profitability (owned manufactured)	2,081,156,856	5,406	1,219,350,864	240

The above does not include profitability of by products.

Profit per machine hour	2021 Audited	2020 Un-audited
Gross profit (Rupees)	2,081,156,856	1,219,350,864
Machine hours of actual crushing	2,564	2,110
Profit per machine hour (Rupees)	811,640.91	578,025.64

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Profitability of the Company depends on the price of sugar in the market and support prices of sugarcane notified by the Government. During the year, the average selling price/metric ton of sugar has increased by 15.05 % and sales volume increased by 16.71 % as compared to last year. In current year average selling price is Rs. 90,402 per metric ton while in previous year it was Rs. 78,578 per metric ton. During the year, the gross sales has been increased by 34.28 % for the year 2021 and accordingly cost of goods sold per metric ton of sugar sold has also increased by 8.50 % due to increase in sugar cane cost due to which gross profit has increased by 70.68 % as compared to the last year. The gross profit margin to sales has increased from 7.53% to 9.58%.

14. RELATED PARTY TRANSACTIONS

The related parties comprise of associated companies, directors of the Company and entities under common directorship, key management personnel and post employment retirement plan. The Company has entered into transactions with the following related parties for the year ended September 30, 2021.

Name and address of related parties :

Name of the related party	Address
Naubahar Bottling Co. (Private) Limited	38-40 Grand Trunk Road Industrial State Model Town Gujranwala Punjab.
Baba Farid Sugar Mills Limited	2D-1 off MM Alam Road , Block D1, Gulberg III, Lahore Punjab.
Almoiz Industries Limited	2D-1 off MM Alam Road , Block D1, Gulberg III, Lahore Punjab.

The name of the directors and their shareholding percentages has been disclosed in the annual financial statements of the Company for the year ended September 30, 2021.

All the related party transactions for the year ended September 30, 2021 has been disclosed in the annexure B-1 attached to this report.

The transfer prices taken in related party transactions for the year ended September 30, 2021 is inclusive of sales tax .

The normal price charged for the white refined sugar is based on the average market price which is Rs. 4,520.10 per bag (2020: Rs. 3,928.90 per bag) and Rs. 4,644.36 per metric ton (2020: Rs. 4,403.65 per metric ton) for bagasse while the market prices for some of the stores, spares, scrap and other machinery items that are available has been mentioned in annexure B-1. Other prices have been taken on purchases basis.

Key management personnel :	2021 (Rupees) Audited	2020 (Rupees) Un-audited
Advances received from / (returned to) directors during the year	(170,000,000)	(90,000,000)
Dividend paid	35,993,251	21,165,147
Disposal of vehicle	507,132	-
Lease Commitments	9,750,000	8,400,000

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15. DISTRIBUTION OF EARNINGS :

	2021 Rupees Audited	2020 Rupees Un-audited
The earnings were distributed to the following parties :		
Employees as salaries and wages, retirement benefits etc.	737,759,430	833,196,371
Shareholders as dividends	45,069,696	22,534,848
Company as retained earnings	1,626,613,317	1,271,114,839
Governments as taxes	396,709,187	333,502,866
Extra ordinary expenses	-	-

16. ADJUSTMENT OF COST VARIANCES :

The Company maintains cost records on actual basis and do not follow standard costing method to determine the cost of its goods and services. Hence no variances has identified and adjusted.

17. OBSERVATIONS AND CONCLUSIONS:

In the course of our examination of the cost accounts of THE THAL INDUSTRIES CORPORATION LIMITED for the year ended September 30, 2021, certain weaknesses in the procedures, internal controls and accounting methods came to our notice. We are giving below our observations and conclusions to draw attention to these matters. The responsibility for maintenance of an adequate system of internal controls as well as for prevention and detection of irregularities and frauds rests with the management.

Our audit involves evaluating only those systems and internal controls in the organization upon which we rely for the purpose of determining our audit procedures. Accordingly, our audit may not have identified, and the comments in this report may not be a comprehensive record of all the weaknesses that may exist. However, our audit was planned so that we would have a reasonable expectation of detecting material misstatements in the accounts.

(a) *Matters which appear clearly wrong in principle*

There is none noted. However, we have noted certain opportunities for improvement which are reported in suggestion for improvements in performance.

(b) *Usage of company's funds*

There were no cases where the company's funds were used in a negligent or inefficient manner.

(c) *Controlling factors*

No instances were observed where factors which could have been controlled, but were not done, resulting in increase in cost of production. There is an adequate budgeting and control system.

The Company has an effective internal audit and control function. The Board of Directors has constituted an audit committee, the meetings of which are held on regular basis.

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(d) *Suggestions for Improvements in performance*

(i) No significant instances were found of general imbalances in production facilities.

(ii) Cost reduction and increased productivity; key limiting factors causing production bottlenecks; Improved inventory policies are important areas to be considered.

Cost reduction and increased productivity;

The Company may make efforts towards optimum utilization of production capacity by promoting pre-season relationship with the growers, thereby ensuring regular supply of improved quality sugarcane.

key limiting factors:

The utilization of installed capacity is dependent upon availability of sugarcane of desired quantity and quality. As a part of long term planning, the Company should started increasing its relationship with growers to ensure regular supply of desired quality sugarcane to fully utilize the production capacity. During the current year 2020-2021, the Company has utilized its installed capacity upto 90.96% (2020: 78.37 %).

Improved inventory policies:

Policies relating to inventory are found satisfactory except that return in stores, spares and loose tools are booked at nil value.

Energy conservancy:

The Company is currently producing the electricity through the steam by using mainly bagasse as input. The production of electricity using the steam is the cheapest way so there are no further opportunities for energy conservancy.

(iii) Study should be conducted to segregate the total production cost into fixed and variable cost, as it would help the management to monitor and control the cost of production.

(iv) The company is applying allocation of overheads consistently over the years. However, we recommend that proper survey should be conducted to determine the percentages of allocation of overheads according to their basis of utilization.

(v) We recommend that a proper fixed assets register should be maintained in the required form so that cost and details of physical location of each item of fixed assets is easily accessible as and when required.

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(vi) We have observed that fixed assets are not completely coded and tagged. Further, the Company does not have any practice of periodic physical verification of fixed assets. Though, we have been informed by management that random physical verification is being done. We recommend that all the assets should be properly coded and tagged for effective control.

(vii) We recommend that a technical review/evaluation is required to ascertain the correct production capacity as there is no documented evidence to confirm the capacity.

(e) ***State of technology***

The company has installed up to date plants (Mill max and Mill roller shaft) for the main production facility. Last year, in 2020 the company has installed 165 ton high pressure boiler which results in increase in productivity.

	Layyah Sugar Mills	Safina Sugar Mills	Total Capacity
Plant Crushing Capacity Metric Tons/day	15,000	8,000	23,000

(f) ***Plant Condition when installed***

Old plants were new when installed.

18. RECONCILIATION WITH FINANCIAL ACCOUNTS

Reconciliation statements of cost of sales, raw material consumed, administrative expenses, distribution and selling expenses and financial charges with audited financial statements for the year ended September 30, 2021 are enclosed herewith.

19. COST STATEMENTS

Copies of all the cost statements on the formats prescribed by the Corporate Law Authority under 1st proviso to sub-section (1) of section 220 of the Companies Act, 2017, duly authenticated by the Chief Executive, Chief Financial Officer of the Company, and verified by the cost auditor, are appended to the report.

20. MISCELLANEOUS

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the period. These are unaudited.

The company has developed appropriate standards for use as a basis to evaluate performance. A team of technical experts and other staff has been employed on permanent basis to monitor and check the plant performance in terms of its economy and maintenance of high quality standards of its product.

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Production reports are prepared on daily basis to evaluate the plant performance giving and explaining details of various consumption ratios. The reports not only give these details for the day but also cumulative data for every month and the year ended.

The daily production report also gives number of breakdowns, breakdowns hours, reasons for breakdowns, material consumed per metric ton of sugar produced.

21. GENERAL

21.1 The Thal Industries Corporation Limited was incorporated on September 07, 1953 under the Companies Act, 1913 (Now Companies Act, 2017) as public company, limited by shares. Its shares are quoted on Pakistan Stock Exchange. Its main business activity is manufacturing and sale of white refined sugar and its by product. The company's sugar producing plants are located at Distt: Layyah and Lalian Distt. Chiniot, Pakistan. The registered office of the company situated at 23 Peer Khurshid Colony Gulgashi, Multan. The total crushing capacity of the company is 23,000 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 September 30, 2021.

21.2 All figures have been rounded off to nearest Rupee.

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	2021								2020							
	Quantity	Unit	Normal price	Transfer price	Rupees	Purchase Rate	Cost	Profit earned	Quantity	Unit	Normal price	Transfer price	Rupees	Purchase Rate	Cost	Profit earned
	Audited								Un-audited							
Almoiz Industries Limited																
Sales																
Sugar																
White Refined Sugar	9,731.55	Bags	4,520.16	5,485.52	53,381,493	4,249.79	41,356,156	12,025,337	-	-	-	-	-	-	-	-
Bagasse	42,351.15	M.ton	5,644.35	5,691.45	235,460,108	4,665.79	202,314,003	53,146,105	21,739.01	M.ton	4,405.65	5,105.02	110,978,101	4,425.07	96,196,604	14,781,453
Trichogramma Cards																
Trichogramma Cards	200,000.00	Nos	N/A	2.75	550,000	1.25	250,000	300,000	-	-	-	-	-	-	-	-
Trichogramma Cards	460,000.00	Nos	N/A	2.75	1,265,000	1.25	575,000	690,000	-	-	-	-	-	-	-	-
Trichogramma Card	-	-	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-
Trichogramma cards	-	-	N/A	-	-	-	-	-	230,400.00	Nos	-	2.75	651,600	1.32	331,178	353,422
Trichogramma Cards	400,000.00	Nos	N/A	2.75	1,100,000	1.25	500,000	600,000	400,000.00	Nos	-	2.75	1,100,000	1.32	529,038	570,962
Bio Fertilizer Granular																
Fertilizer Bio Fertilizer Granular	350.00	BAG	735.29	750.00	262,500	650.00	227,500	35,000	-	-	-	-	-	-	-	-
Bio Fertilizer Granular	4,250.00	BAG	735.29	750.00	3,187,494	650.00	2,762,500	424,994	-	-	-	-	-	-	-	-
Soda Caustic Flakes	1,250.00	Kg	79.03	90.68	113,344	78.20	97,750	15,594	5,000.00	Kg	357,500.00	93.02	465,075	79.50	397,500	67,575
Scrap Items																
Heavy Melting Scrap (H.M.S) Local	310,330.00	KG	N/A	63.66	19,755,992	-	-	19,755,992	224,890.00	KG	-	53.82	12,103,510	-	-	12,103,560
Heavy Melting Scrap (H.M.S) Local	62,090.50	KG	N/A	66.69	4,140,762	-	-	4,140,762	94,010.00	KG	-	5.00	470,502	-	-	470,002
Stores and spares																
Buffer Layer Electrode 4370 Metalogen NO. 8	-	-	-	-	-	-	-	-	80.00	KG	77,600.00	1,100.97	88,078	970.00	77,600	10,478
Cast Iron Electrode Feni-60 NO. 8	-	-	-	-	-	-	-	-	40.00	KG	100,500.00	2,316.60	92,664	2,500.00	100,000	(7,336)
Gear Oil 220	-	-	-	-	-	-	-	-	1,040.00	LTR	180,856.00	195.39	203,206	173.90	180,856	22,350
Gear Oil 320	-	-	-	-	-	-	-	-	410.00	LTR	73,008.00	205.41	84,203	175.50	73,008	11,195
Sugar mill oil	-	-	-	-	-	-	-	-	2,399.00	LTR	365,541.00	125.32	288,107	159.60	365,541	(77,434)
Tarpaulin	-	-	-	-	-	-	-	-	150.00	Each	2,880,000.00	45,096.75	4,809,675	28,800.00	2,880,000	1,929,675
Phosphoric Acid	3,500.00	KG	221.49	210.60	737,100	168.54	589,890	147,210	-	-	-	-	-	-	-	-
Polythene Liner 30-35 Gram 24x40"	2,000.00	KG	225.64	274.95	549,900	230.00	460,000	89,900	-	-	-	-	-	-	-	-
S.S. Nickel working screen K-1150-30 0.09MM	7.00	SET	108,265.54	94,718.75	693,031	108,000.00	756,000	(64,569)	-	-	-	-	-	-	-	-
Sulphuric Acid	1,400.00	KG	N/A	17.55	24,570	30.00	42,000	(17,430)	-	-	-	-	-	-	-	-
Gadus Oil EP-100	-	-	-	-	-	-	-	-	2,926.00	Ltr	327,712.00	125.32	366,682	112.00	327,712	38,970
Dry Battery 12 Volt 80 AH	-	-	-	-	-	-	-	-	2.00	Nos	27,000.00	25,990.00	51,981	13,500.00	27,000	24,981
Decolorizer Arquad 265-85	6,500.00	Kg	423.32	496.08	3,224,520	423.32	2,751,567	472,953	-	-	-	-	-	-	-	-
Decolorizer Arquad 265-85	1,550.00	Kg	423.32	496.08	768,924	423.32	656,143	112,781	-	-	-	-	-	-	-	-
Phosphoric Acid	1,680.00	Kg	212.33	210.60	353,808	169.00	283,920	69,888	-	-	-	-	-	-	-	-
Decolorizer Arquad 265-85	1,750.00	Kg	423.32	496.04	868,140	423.32	740,803	127,334	-	-	-	-	-	-	-	-
Accofloc Poly Electrolyte 2125	105.00	Kg	667.84	789.75	82,924	675.00	70,875	12,049	-	-	-	-	-	-	-	-
Phosphoric Acid	1,820.50	Kg	212.33	210.60	383,292	165.00	307,580	75,712	-	-	-	-	-	-	-	-
Phosphoric Acid	1,435.50	Kg	212.33	210.60	302,211	169.00	242,515	59,696	-	-	-	-	-	-	-	-
Decolorizer Arquad 265-85	5,950.00	Kg	423.32	496.08	2,951,676	423.32	2,518,742	432,934	-	-	-	-	-	-	-	-
Accofloc Poly Electrolyte A-11	140.00	Kg	690.51	789.75	110,565	675.00	94,500	16,065	-	-	-	-	-	-	-	-
Soda Caustic Flakes	5,475.00	Kg	79.01	90.61	785,431	71.20	652,745	105,726	-	-	-	-	-	-	-	-
Mobile Phone	1.00	Nos	N/A	20,767.50	20,768	17,750.00	17,750	3,018	-	-	-	-	-	-	-	-
Accofloc Poly Electrolyte 2125	35.00	Kg	886.28	789.75	27,641	675.00	23,625	4,016	-	-	-	-	-	-	-	-
Accofloc Poly Electrolyte 2125	400.00	Kg	686.25	789.75	315,900	675.00	270,000	45,900	-	-	-	-	-	-	-	-
Gadus Oil SHOG 100 (Shell)	-	-	-	-	-	-	-	-	4,180.00	LTR	447,719.80	125.32	523,832	107.11	447,720	76,112
Frequency converter ACS 810-04XT-1310A-5	-	-	-	-	-	-	-	-	1.00	Nos	2,815,718.53	3,294,391.33	3,294,391	2,815,718.53	2,815,719	478,673
Polythene Sheet Roll	-	-	-	-	-	-	-	-	3,980.00	Kg	799,980.00	235.17	935,977	201.00	799,980	135,997
Phosphoric Acid	-	-	-	-	-	-	-	-	7,000.00	Kg	1,148,752.00	210.60	1,474,200	164.11	1,148,752	325,448
Polythene Liner 30-35 Gram 24"x40"	-	-	-	-	-	-	-	-	5,000.00	Kg	1,060,000.00	248.04	1,240,200	212.00	1,060,000	180,200
Lead Sub Acetate	-	-	-	-	-	-	-	-	50.00	Kg	65,551.00	1,578.50	78,925	1,311.02	65,551	13,424
Sugar Mill Oil 3500	-	-	-	-	-	-	-	-	2,050.00	Kg	219,575.50	125.37	256,902	107.11	219,576	37,326
ISO Propyl Alcohol	840.00	Ltr	239.00	255.01	214,206	217.90	183,036	31,170	630.00	LTR	103,866.60	192.89	121,523	164.87	103,866	17,657
Decolorizer Arquad 265-85	3,073.00	Kg	423.32	496.08	2,517,606	428.32	2,148,339	369,267	-	-	-	-	-	-	-	-
Mill Hydraulic Bucket 320 x 276 x 31 APD	5.00	Set	N/A	4,554.20	22,821	3,900.00	19,500	3,321	-	-	-	-	-	-	-	-
	1,534,030.49	-	123,340.19	144,236.68	354,852,786	145,975.76	260,923,447	95,238,344	1,025,833.01	-	13,094,583.48	3,380,532.18	135,715,970	2,865,883.36	105,141,203	31,565,266
Al-Moiz Industries Limited																
Purchases																
Sugar																
White Refined Sugar	58,542.11	BAG	4,520.18	5,283.53	309,309,038	-	-	-	21,820.00	Bags	3,928.91	3,918.12	67,020,766	-	-	-
Store Items																
Kebe Slurry	60.00	Kg	1,987.00	2,324.79	135,457	-	-	-	-	-		-	-	-	-	-
MS Deformed Bar Grade - 60	59.62	M. Ton	126,495.00	195,438.96	6,098,320	-	-	-	2.33	M. ton		105,924.97	276,430	-	-	-
Wrapped Gum Jar 300 gm	8,750.00	Each	100.00	110.00	962,500	-	-	-	-	-		-	-	-	-	-
Controller MOOG, D634-1005	1.00	Nos	582,308.37	626,066.00	626,066	-	-	-	-	-		-	-	-	-	-
MS Deform Bar Grade - 60	93.91	M.TON	126,495.00	145,592.41	13,672,590	-	-	-	10.10	M.TON		145,592.41	1,470,857	-	-	-
Wrapped Gum Jar	11,746.00	EACH	100.00	110.00	1,292,053	-	-	-	-	-		-	-	-	-	-
Controller MOOG, D634-1005	-	-	-	-	-	-	-	-	5.00	Nos		21,286.24	106,431	-	-	-
Lubrication oil	-	-	-	-	-	-	-	-	615.00	Nos		854.16	525,272	-	-	-
Tube Cleaning Flexible shaft 15x29 mm x6.5'	-	-	-	-	-	-	-	-	10.00	Nos		3,264.00	32,640	-	-	-
CI NON return valve	-	-	-	-	-	-	-	-	3.00	Nos		20,517.12	61,551	-	-	-
Kraft paper Bag with polythene	-	-	-	-	-	-	-	-	500.00	Nos		135.63	67,816	-	-	-
Kraft paper Bag with polythene	-	-	-	-	-	-	-	-	500.00	Nos		135.63	67,816	-	-	-
Cylinder repair kit	-	-	-	-	-	-	-	-	6.00	Nos		3,682.17	22,093	-	-	-
Water washing device	-	-	-	-	-	-	-	-	1.00	Nos		276,164.00	276,164	-	-	-
Beeta Bottles 500gm Original	-	-	-	-	-	-	-	-	14.00	Cartons		1,440.00	20,160	-	-	-
Beeta Bottles 250gm Choco Hazelnut	-	-	-	-	-	-	-	-	1,200.00	Nos		75.00	90,000	-	-	-
Beeta Bottles	-	-	-	-	-	-	-	-	1,200.00	Nos		75.00	90,000	-	-	-
Beeta Bottles 250gm Original	-	-	-	-	-	-	-	-	1,200.00	Nos		75.00	90,000	-	-	-
Beeta Bottles 250gm Strawberry	-	-	-	-	-	-	-	-	1,200.00	Nos		75.00	90,000	-	-	-
Beeta (Bottles) 250 gm (Original)	-	-	-	-	-	-	-	-	1,200.00	Nos		75.00	90,000	-	-	-
	79,252.64	-	842,002.47	915,325.38	334,100,464	-	-	-	33,451.43	-	3,928.91	583,159.46	91,198,600	-	-	-

Purchase Price

1300

	2021								2020							
	Quantity	Unit	Normal price	Transfer price	Rupees	Purchase Rate	Cost	Profit earned	Quantity	Unit	Normal price	Transfer price	Rupees	Purchase Rate	Cost	Profit earned
					Audited								Unaudited			
Baba Farid Sugar Mills Limited																
Sales																
Biofertilizer																
Granular Bio Fertilizer	400.00	50kg Bag	735.29	730.00	300,000	850.00	300,000	42,000	-	-	-	-	-	-	-	-
Granular Bio Fertilizer	690.09	50Kg Bag	735.29	750.00	450,000	850.00	390,000	60,000	-	-	-	-	-	-	-	-
Trichogramma Cards																
Sale of Trichogramma Cards	60,000.00	Nos	N/A	2.75	165,000	1.25	75,000	90,000	-	-	-	-	-	-	-	-
Sale of Trichogramma Cards	40,000.00	Nos	N/A	2.75	110,000	1.25	50,000	60,000	-	-	-	-	-	-	-	-
Sale of Trichogramma Cards	20,000.00	Nos	N/A	2.75	55,000	1.25	25,000	30,000	-	-	-	-	-	-	-	-
Store Items									-	-	-	-	-	-	-	-
Sale Of Juice Heater Pressure Filter	2.00	Nos	N/A	3,555,300.00	3,551,500	508,853.00	1,012,306	2,556,794	-	-	-	-	-	-	-	-
Squirrel Cage Induction Motor 54Pc, 315Kw, 990Rpm, 415Vac, 50Hz, Inverter Duty, Tefc Foot Mounted, Forced Cooling Fan	01	Nos	N/A	1,491,464.53	1,491,465	1,274,750.00	1,274,750	216,709	-	-	-	-	-	-	-	-
Decolorizer Arquad M3-85	7,175.00	Kgs	423.32	496.68	3,559,374	423.00	3,035,025	524,349	-	-	-	-	-	-	-	-
Cylinder Repair Kit For Horizontal Cylinder Nose (Part # P-Cp65-800, Kersan)	01	Nos	38,165.91	24,090.34	24,090	24,050.00	24,050	40	-	-	-	-	-	-	-	-
Cylinder Repair Kit Nose Vertical Air Cylinder (For 1300 & 1250, Centrifugal Machine)	01	Nos	80,165.59	80,301.07	80,301	80,166.00	80,166	135	-	-	-	-	-	-	-	-
Cylinder Repair Kit Brush K-80-Ps (For Brake Cylinder, Kuroda)	01	Nos	28,052.95	28,105.37	28,105	28,055.00	28,038	67	-	-	-	-	-	-	-	-
Cylinder Repair Kit Nose Ballott Valve Air Cylinder (Part # Sp65-125-200, Kerman)	01	Nos	33,031.23	40,156.54	40,121	40,083.00	40,083	68	-	-	-	-	-	-	-	-
Rubber Seat Tdt Refine Machine Vp-1300 For Charge Valve No.2 Upper Side (Size: 350A, 14B)	01	Nos	N/A	306,953.50	306,954	248,513.00	248,513	58,441	-	-	-	-	-	-	-	-
Rubber Seat Tdt Refine Machine Vp-1300 For Charge Valve No.1 Lower Side (Size: 250A, 10B)	01	Nos	N/A	248,525.85	148,528	120,248.00	120,248	28,278	-	-	-	-	-	-	-	-
Fuse Hrc 600 A Link Type Nose (Model: A50P800-4, Voltage: 500Vac, 660Ze)	01	Nos	N/A	48,383.85	48,380	6,853.00	6,853	41,533	-	-	-	-	-	-	-	-
Link Fuse H.R.C 500 Amp (Model: Sp_A70Qs500-4E, Voltage (700V)	01	Nos	N/A	169,349.29	169,350	140,299.00	140,249	29,051	-	-	-	-	-	-	-	-
Fuse Hrc 3 Amp Hrc Fuse (Type: Fs 30, 800V)	01	Nos	N/A	2,903.15	2,903	2,404.60	2,404	499	-	-	-	-	-	-	-	-
Fuse Hrc 250 Amp Link Type (Model: Sp_6.9Gh32Ff0350, Voltage: 690V)	01	Nos	N/A	106,448.48	106,448	88,182.00	88,182	18,266	-	-	-	-	-	-	-	-
On Off Valve 3/4" None (Size 3/4) For Steam, Type : Ap13-20A-C45C Ck4)	01	Nos	N/A	105,260.41	105,260	92,190.00	92,190	13,070	-	-	-	-	-	-	-	-
On-Off Valve 3/4" None (Hot Water Ball Valve With Actuator 2030, 3/4)	01	Nos	N/A	100,684.86	100,684	88,182.00	88,182	12,502	-	-	-	-	-	-	-	-
Dcs With All Accessories, Distributed Control System For 40 Tph Boiler	01	Nos	N/A	4,123,737.54	4,123,738	3,524,562.00	3,524,562	599,176	-	-	-	-	-	-	-	-
Sugar Mill Oil (Semi Synthetic Oil)	203.00	Ltrs	580.00	854.10	175,091	730.00	149,050	25,441	-	-	-	-	-	-	-	-
Sugar Mill Oil 3860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sugar Mill Oil 3860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decolorizer Arquad 265-85	-	-	-	-	-	-	-	-	5,125.00	Ltrs	548,931.75	125.32	642,251	107.11	548,939	93,310
Decolorizer Arquad 265-85	-	-	-	-	-	-	-	-	7,585.00	Ltrs	812,439.35	125.32	950,542	107.11	812,426	138,113
Quick Lime	-	-	-	-	-	-	-	-	11,900.00	Kgs	3,363,430.30	527.82	6,281,063	451.33	5,368,430	912,633
	-	-	-	-	-	-	-	-	1,750.00	Kgs	789,426.04	527.82	923,688	451.33	789,475	134,213
	-	-	-	-	-	-	-	-	2,750.00	Kgs	84,457.05	12.81	99,473	10.89	84,997	14,930
	328,382.00	-	161,834.60	10,317,518.51	15,156,285	6,269,816.75	10,760,917	4,395,468	34,320.00	-	7,603,736.44	1,335.09	8,895,967	1,127.37	7,605,770	1,293,197
Sale of machinery																
Machinery																
Electric Slipring Motor, 575 KW, 380-415 VAC, 50 HZ, 600 RPM, TEFC, Foot Mounted.	01	Unit	N/A	585,000.00	585,000	350,751.00	350,751	234,249	-	-	-	-	-	-	-	-
Boiler Complete 80 TPH	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	1.00	nos	6,370,327.59	25,000,000.00	25,000,000	6,370,327.59	6,370,328	18,629,672
	-	-	-	585,000.00	585,000	350,751.00	350,751	234,249	1.00	-	6,370,327.59	25,000,000.00	25,000,000	6,370,327.59	6,370,328	18,629,672
Baba Farid Sugar Mills Limited																
Purchases																
Store Items																
DAP FERTILIZERS	3,425.00	bags	5,577.72	4,452.00	15,248,100	-	-	-	-	-	-	-	-	-	-	-
Purchase of formic acid	-	-	-	-	-	-	-	-	1,500.00	KG	-	135.72	203,580	-	-	-
Accofelo Acid	-	-	-	-	-	-	-	-	150.00	KG	Purchase Price	785.75	118,462	-	-	-
	3,425.00	-	5,577.72	4,452.00	15,248,100	-	-	-	1,650.00	-	-	925.47	322,042	-	-	-
Faisalabad Bottling Co. (Pvt) Ltd																
Sale																
White Bagged Sugar	978,910.00	Bags	4,520.10	4,342.35	4,250,765,015	4,249.79	4,160,159,056	90,605,959	980,940.00	Bags	3,928.91	3,906.82	3,834,432,308	3,916.93	3,842,276,286	(15,801,983)
	978,910.00	-	4,520.10	4,342.35	4,250,765,015	4,249.79	4,160,159,056	90,605,959	980,940.00	-	3,928.91	3,906.82	3,834,432,308	3,916.93	3,842,276,286	(15,801,983)

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THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT OF STOCK IN TRADE
AS AT SEPTEMBER 30, 2021

Particulars	2021		2020	
	Quantity (Metric ton)	Amount (Rupees)	Quantity (Metric ton)	Amount (Rupees)
	Audited		Un-audited	
Raw material	-	-	-	-
Work in process				
Sugar	77.895	4,234,824	212.795	10,914,305
Molasses	51.906	953,297	92.525	1,480,404
	129.801	5,188,121	305.320	12,394,709
Finished goods				
Sugar:				
Own manufactured	6,307.300	423,434,644	15,509.850	911,537,968
Trading activity	-	-	-	-
In transit	-	-	-	-
	6,307.300	423,434,644	15,509.850	911,537,968
Molasses				
At mills	10,064.493	184,842,861	3,746.029	59,936,624
Stock in trade	16,501.59	613,465,626	19,561.20	983,869,301
Store, spares and loose tools				
Store		378,532,122		345,150,143
Spare parts		356,218,427		328,750,235
Loose tools		17,512,570		9,755,809
Less: Provision for obsolescence		-		-
		752,263,119		683,656,187

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CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT OF PRODUCTION CAPACITY
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Capacity utilization in Production Units

Particulars	2021 Sugarcane crushed	2020 Sugarcane crushed
	Metric ton	
	Audited	Un-audited
Installed capacity	2,610,500.00	2,518,500.00
Actual utilization	2,374,600.59	1,973,755.03
Percentage of utilization	90.96%	78.37%

Reasons for variances:

Crushing capacity of plants are same i.e. 23,000 MT/day as compared to last year. In current year, mill's lost hours were 72% less than those of in last year due to better availability of sugar cane. That's why company attained 90.96% utilization as compared to 78.37% utilization in last year. Sugar production in 2021 is 20.16% higher than that of last year.

Capacity utilization in Machine Hours

Particulars	2021 Sugar can crushed	2020 Sugar can crushed
	Machine hours	
	Audited	Un-audited
Installed capacity (Standard hours)	2,700	2,594
Actual utilization (Actual hours)	2,564	2,110
Percentage of utilization	94.97%	81.31%

Reasons for variances:

Standard hours is dependent upon no of working days i.e. 113.5 days (2020: 109.5 days). The comparative increase in utilization in current year is due to effective use of available hours. Sugar mills temporarily shutdowns for maintenance purposes in the mid of manufacturing season . During the year company stops for lesser period i.e.5.66 days (2020: 20.20 days) thus increasing the percentage of utilization in relation to installed capacity by 13.66 %.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
THE COMPANY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

COMPANY INFORMATION

1.	Name of the company	The Thal Industries Corporation Limited
2.	Date of incorporation	September 07, 1953
3.	Location of registered office	23 Peer Khurshid Colony Gulgasht, Multan
4.	Location of factory Unit 1	Layyah Sugar Mills, Layyah
5.	Location of factory Unit 2	Safina Sugar Mills, Lalian District Chinniot
6.	Products other than sugar being manufactur	None
7.	Installed cane crushing capacity in metric tc	23,000 metric tons per day.

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CHIEF EXECUTIVE OFFICER

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THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT OF PRODUCTION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

S. #	Particulars	2021	2020
		Audited	Un-audited
1.	**Production data**		
(a)	**Cane crushed**		
	Date of start	November 10, 2020	November 29, 2019
	Date of finish	March 10, 2021	March 17, 2020
	Duration of run days	113.50	109.50
	Total number of hours in duration	2,699.925	2,594.375
	Total number of hours of actual crushing	2,564.135	2,109.510
	Total numbers of hour lost	135.790	484.865
	Total cane milled (metric tons)	2,374,600.590	1,973,755.034
	Converted maunds	59,365,014.750	49,343,875.85
	Total mixed juice obtained (metric tons)	2,355,538.680	1,917,467.640
(b)	**Gur melted**		
2.	**Raw Sugar**		
	Raw Sugar Processed	-	-
	Sugar made (metric ton)	-	-
	Recovery%	-	-
	Molasses sent out (metric ton)	-	-
	Molasses %	-	-
3.	**Juice and added water**		
	Average mixed juice % cane	99.197	97.148
	Average added water % cane	27.689	26.189
4.	**Sugar made**		
	Total sugar bagged of all grade (100 kg)	-	-
	Total sugar bagged of all grade (50 kg)	4,562,140.000	3,796,852.000
	Sugar bagged (metric tons)	228,107.000	189,842.600
	Sugar in process (metric tons)	77.895	212.795
5.	**Molasses extracted**		
	Total molasses sent out (metric tons)	104,396.633	86,471.849
	Molasses in process (metric tons)	51.906	92.525
6.	**Recovery %**		
	Average recovery of marketable white sugar % cane	9.606	9.618
	Average production of final molasses % cane	4.396	4.381
7.	**By- products**		
	Bagasse % cane (metric tons)	28.675	29.223
	Filter Cake % cane (metric tons)	3.000	3.000
8.	**Clarification process**		
	Specify the process used by the mill	Defecation Remelt Phosphatation	Defecation Remelt Phosphatation

Figures in Production Data have been rounded to nearest three decimals.

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CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT OF CAPACITY UTILIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

S. #	Particulars	2021	2020
		Audited	Un-audited
1.	Licensed cane crushing capacity metric tons per day	23,000.000	23,000.000
2.	Installed cane crushing capacity metric tons per day	23,000.000	23,000.000
3.	Utilized cane crushing capacity metric tons per day	20,921.591	18,025.160
4.	Percentage of utilization in relation to installed capacity	90.963%	78.370%

Figures in statement of capacity utilization have rounded to three decimals.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT OF PRODUCTION CAPACITY
FOR THE YEAR ENDED SEPTEMBER 30, 2021

S. #	Particulars	2021 (Metric ton) Audited	2020 (Metric ton) Un-audited
1.	**Installed production**		
a)	Capacity of white sugar	250,767.782	242,238.059
b)	Molasses	-	-
c)	Other	-	-
2.	**Actual production**		
a)	Actual production sugar (from sugarcane)	228,107.000	189,842.600
b)	Molasses	104,396.633	86,471.849
c)	Bagasse	680,914.250	576,794.891
d)	Press Mud	71,238.018	59,212.651
3.	**Percentage of production in relation to installed capacity**		
a)	Sugar	90.963%	78.370%
b)	Molasses	-	-
c)	Bagasse	-	-

Figures in Statement of Production Capacity have rounded to three decimals.

Note: Molasses and bagasse are by-products therefore installed and utilized capacities are nil.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Annexure-I

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF PRODUCTION AND SALE OF WHITE BAGGED SUGAR
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Quantitative Data - Bagged Sugar

	2021 Metric tons	2020 Metric tons
	Audited	Un-audited
Opening Stock	15,509.85	30,445.50
Production & Purchased	231,072.30	190,931.45
	246,582.15	221,376.95
Sales	(240,274.85)	(205,867.10)
Closing Stock	6,307.30	15,509.85

S.No	Particulars	2021		2020	
		Rupees	Per metric ton	Rupees	Per metric ton
		Audited		Un-audited	
1	Raw materials				
	(a) Sugarcane (Annexure-3)	15,626,000,776	67,623.86	11,125,944,453	58,271.93
	(b) Beet (Annexure-4)	-	-	-	-
	(c) Gur	-	-	-	-
	(d) Raw / Refined sugar	264,975,303	1,146.72	74,228,679	388.77
	(e) Process material (Annexure-5)	131,389,762	568.61	110,629,649	579.42
2	Salaries / wages and benefits (Annexure-6)	261,974,632	1,133.73	282,296,840	1,478.52
3	Consumable stores	11,427,481	49.45	8,814,329	46.16
4	Repair and maintenance	422,163,595	1,826.98	345,671,302	1,810.45
5	Steam (Annexure-7) *	2,958,084,559	12,801.55	2,427,557,446	12,714.29
6	Electric power (Annexure-8) **	(168,395,599)	(728.76)	(171,658,265)	(899.06)
7	Water and gas	-	-	-	-
8	Insurance	5,561,422	24.07	5,137,750	26.91
9	Depreciation	296,174,390	1,281.74	297,912,554	1,560.31
10	Other factory overheads (Annexure-9)	118,360,332	512.22	73,468,209	384.79
11	Total cost	19,927,716,652	86,240.18	14,580,002,945	76,362.50
12	Add: Opening stock of W.I.P.	12,394,709	53.64	4,723,041	24.74
13	Less: Closing stock of W.I.P.	(5,188,121)	(22.45)	(12,394,709)	(64.92)
14	Total cost of goods manufacturing	19,934,923,240	86,271.37	14,572,331,277	76,322.32
15	Less: Realizable value of By-Products:				
	Molasses	(2,020,739,131)	(8,745.05)	(1,602,861,612)	(8,394.96)
	Bagasse	(3,162,413,705)	(13,685.82)	(2,539,983,723)	(13,303.12)
	Others(Press Mud)	(24,296,340)	(105.15)	(5,019,357)	(26.29)
16	Net Cost of goods manufacturing	14,727,474,065	63,735.35	10,424,466,586	54,597.95
17	Add : Packing material	120,904,345	523.23	99,548,372	521.38
18	Net cost of bagged sugar	14,848,378,410	64,258.58	10,524,014,958	55,119.34
19	Add :Excise duty / Sales tax	3,150,484,795	13,634.19	2,326,884,808	12,187.02
20	Total cost of bagged sugar	17,998,863,205	77,892.78	12,850,899,766	67,306.35
21	Add: Opening stocks	971,474,592	5,088.08	1,537,727,208	8,053.82
22	Less: Closing Stocks	(608,277,505)	(2,632.41)	(971,474,592)	(5,088.08)
23	Cost of sales	18,362,060,292	79,464.57	13,417,152,382	70,272.09
24	Administrative expenses (Annexure-10)	602,185,917	2,606.05	620,931,738	3,252.12
25	Selling and distribution expenses (Annexure-11)	213,060,078	922.05	145,211,480	760.54
26	Financial expenses	462,855,194	2,003.08	774,018,457	4,053.91
27	Other charges	-	-	-	-
	Total cost to make and sell	19,640,161,481	84,995.74	14,957,314,058	78,338.66

* This includes Rs. 2,329,730,551 /- Credit for exhaust steam Annexure-8.
** This consists of cost as per Annexure-8 less water Cost of Rs. 116,094,224/- Annexure-7.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Annexure-2

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF SUGAR CANE PRODUCED
FOR THE YEAR ENDED SEPTEMBER 30, 2021

S.No	Particulars	2021		2020	
		Rupees	Per metric ton	Rupees	Per metric ton
		Audited		Un-audited	
1	**Seeds & other inputs:**				
	Seed				
	Fertilizers, herbicides etc.				
	Insecticides				
	Abiana/water charges				
	Total cost of inputs				
2	**Labour cost:**				
	Land preparation				
	Plantation				
	Maintenance of cane crop/rations	NOT APPLICABLE			
	Operation of tractors				
	Harvesting				
	Total labour cost				
3	**Other cost:**				
	Fuel for tractors operation				
	Maintenance and 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				

Shaukat Khan

CHIEF EXECUTIVE OFFICER

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CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF SUGAR CANE CRUSHED
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Annexure-3

S.No	Particulars	2021			2020		
		Metric tons	Per metric ton	Rupees	Metric tons	Per metric ton	Rupees
		Audited				Un-audited	
1	Total sugarcane purchased at Government fixed rate	2,374,629.362	6,484.29	15,397,795,753	1,973,755.393	5,514.48	10,884,229,207
	Sugarcane produced from own farm (Annexure-2)	-	-	-	-	-	-
	Less: Loss in transit	28.772	6,484.29	186,566	0.359	5,514.48	1,979.70
	Sugarcane received at factory gate	2,374,600.590	6,484.29	15,397,609,187	1,973,755.034	5,514.48	10,884,227,227
2	Commission	2,374,600.590		-	1,973,755.034	-	-
3	Quality premium	2,374,600.590		-	1,973,755.034	-	-
4	Unloading and feeding of Cane	2,374,600.590	0.21	508,655	1,973,755.034	0.30	585,044
5	Cane development expenses	2,374,600.590	9.45	22,447,245	1,973,755.034	10.95	21,606,294
	(a) Salaries and wages of supply and development Staff	2,374,600.590	28.63	67,991,558	1,973,755.034	49.61	97,914,869
	(b) Sugarcane development research	2,374,600.590	-	-	1,973,755.034	-	-
	(c) Supply staff and transportation expenses	2,374,600.590	4.02	9,550,301	1,973,755.034	5.43	10,723,753
	(d) Other expenditure (Misc. Procurement Expenses)	2,374,600.590	0.59	1,402,511	1,973,755.034	0.64	1,266,311
6	Taxes and Levies:						
	(a) Cane cess / Purchase tax	2,374,600.590	37.50	89,050,289	1,973,755.034	37.50	74,017,436
	(b) Market Committee fee	2,374,600.590	10.00	23,746,293	1,973,755.034	10.00	19,737,555
	(c) Road cess	2,374,600.590	-	-	1,973,755.034	-	-
	(d) Octroi (Toll Tax)	2,374,600.590	-	-	1,973,755.034	-	-
	(e) Other levies	2,374,600.590	-	-	1,973,755.034	-	-
7	Transportation Charges						
	(a) Delivery expenses	2,374,600.590	2.63	6,250,566	1,973,755.034	2.38	4,688,209
	(b) Transport subsidy	2,374,600.590	-	-	1,973,755.034	-	-
	(c) Others	2,374,600.590	-	-	1,973,755.034	-	-
8	Other Expenditure at Cane Collection Centers:						
	(a) Salaries and wages	2,374,600.590	3.06	7,257,603	1,973,755.034	5.66	11,175,774
	(b) Stores	2,374,600.590	-	-	1,973,755.034	-	-
	(c) Repairs and maintenance	2,374,600.590	-	-	1,973,755.034	-	-
	(d)Others	2,374,600.590	-	-	1,973,755.034	-	-
	Total cost of sugarcane transferred to production process (Annexure-1)	**2,374,600.590**	**6,580.48**	**15,626,000,776**	**1,973,755.034**	**5,636.94**	**11,125,944,453**

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CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF BEAT CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Annexure-4

S.No	Particulars	2021			2020		
		Metric tons	Per metric ton	Rupees	Metric tons	Per metric ton	Rupees
		Audited			Un-audited		
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 and wages of supply and development Staff						
	b. Sugar development research						
	c. Supply staff and transportation expenses						
	d. Other expenditures						
5	Taxes and Levies (if any)						
	a. Purchase tax						
	b. Market committee fee						
	c. Road cess						
	d. Octroi						
	e. Other levies						
6	Transportation charges:						
	a. Delivery expenses/Travelling from purchases center to mill gate						
	b. Transport subsidy						
	c. Others						
7	Other expenditures at beat collection centers:						
	a. Salaries and wages						
	b. Stores						
	c. Repair and maintenance						
	d. Others						
	Total cost of "beet" transferred to production process (Annexure-1)						

NOT APPLICABLE

CHIEF EXECUTIVE OFFICER

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THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF PROCESS MATERIAL CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Annexure-5

S.No	Particulars		2021		2020	
			Amount (Rs)	Cost per ton of sugar	Amount (Rs)	Cost per ton of sugar
	Total Sugar Produced 2020 - 189,842.600 metric tons Sugar Produced 2021 - 228,107 metric tons	Total	Audited M. Tons	Audited 228,107.00	Un-audited M. Tons	Un-audited 189,842.60
1	Phosphoric Acid		15,583,214	68.32	12,228,598	64.41
2	Filter Acid.(HCL)		257,026	1.13	130,530	0.69
3	Acid Inhibitor (Kafzol RN)		11,780,911	51.65	9,707,979	51.14
4	Bleaching Powder		366,000	1.60	411,004	2.16
5	BIO CIDE (Preventol ZL)		3,122,321	13.69	2,423,640	12.77
6	Chemfloc 57/56 HPV Accofloc(Poly Electrolyte)		7,012,150	30.74	5,377,163	28.32
7	Colour Quest 55(Decolorizer)		22,219,739	97.41	20,995,362	110.59
8	Chem Float - 100 (Floatation Aid)		-	-	499,083	2.63
9	Accofloc A-110PWG		1,340,223	5.88	952,626	5.02
10	SLURY Material		705,510	3.09	-	-
11	Anti Foam		483,937	2.12	141,578	0.75
12	Formalin.		146,220	0.64	134,241	0.71
13	Unslaked Lime		16,775,313	73.54	13,931,549	73.38
14	Soda Ash		2,422,069	10.62	1,543,183	8.13
15	Solid Caustic Soda.		9,806,127	42.99	7,965,971	41.96
16	Common Salt		11,880	0.05	-	-
17	Tri Sodium Phosphate(Chem Float A 100)		12,578	0.06	37,789	0.20
18	Others		6,443,058	28.25	6,476,986	34.12
19	Laboratory Chemicals.		3,131,099	13.73	2,695,362	14.20
20	Lubricants and Grease.		29,728,742	130.33	24,977,007	131.57
21	Filter Cloth		41,647	0.18	-	-
	Total		131,389,762	576.00	110,629,649	582.74
	Less allocated to					
	(a) Electric generation		-	-	-	-
	(b) Steam generation		-	-	-	-
	(c) Raw material		-	-	-	-
	(d) Admin expenses		-	-	-	-
	(e) Selling and distribution expenditure		-	-	-	-
	(f) Any other specify		-	-	-	-
	Balance transferred to cost of production (Annexure-I)		131,389,762	576.00	110,629,649	582.74

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF SALARIES, WAGES AND BENEFITS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Annexure-6

S.No	Particulars	2021		2020	
		Amount (Rs)	Cost per ton of sugar	Amount (Rs)	Cost per ton of sugar
		Audited	Audited	Un-audited	Un-audited
	Total Sugar Produced 2020 - 189,842.600 metric tons Total Sugar Produced 2021 - 228,107 metric tons Cost	M. Tons	228,107.00	M. Tons	189,842.60
1	Salaries / Wages:				
(i)	Officers and permanent staff	372,822,190	1,613.44	346,982,455	1,817.31
(ii)	Seasonal staff	10,636,667	46.03	19,868,965	104.06
(iii)	Daily rated and contract labour	265,385,864	1,148.50	236,860,886	1,240.55
(iv)	Bonuses	165,140	0.71	139,711,088	731.73
2	Benefits:				
(i)	Medical expenses	2,971,375	12.86	2,876,479	15.07
(ii)	Canteen expenses	15,334	0.07	-	-
(iii)	Welfare , recreation	9,533,274	41.26	13,407,357	70.22
(iv)	Allowances	5,302,986	22.95	-	-
(v)	Education cess / expenses	176,175	0.76	170,425	0.89
(vi)	Group insurance / workmen	7,544,449	32.65	3,990,985	20.90
(vii)	Haj expenses	-	-	5,287	0.03
(viii)	Gratuity / pension	38,211,204	165.36	40,449,182	211.85
(ix)	Other benefits (E.O.B.I)	8,284,256	35.85	7,966,908	41.73
(x)	Earned leave	5,360,400	23.20	9,264,052	48.52
(xi)	Social security contribution	11,350,116	49.12	11,642,302	60.98
	Total	737,759,430	3,192.76	833,196,371	4,363.85
	Less allocated to				
	(a) Raw material	75,249,161	325.65	109,090,643	571.36
	(b) Electricity generation	40,090,120	173.50	66,337,614	347.44
	(c) Steam generation	34,977,894	151.37	39,794,448	208.42
	(d) Admin expenses	314,399,809	1,360.61	323,810,432	1,695.95
	(e) Selling and distribution expenses	11,067,814	47.90	11,866,394	62.15
	(f) Any Other specify	-	-	-	-
	Total	475,784,799	2,059.03	550,899,531	2,885.33
	Balance transferred to production process (Annexure-I)	261,974,632	1,133.73	282,296,840	1,478.52

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Annexure-7

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF STEAM GENERATED/ CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2021

		Unit	2021 Audited	2020 Un-audited	Variance
	Types of steam boilers used (Water Tubes)				
1	No. of days worked		113.50	109.50	4
2	Installed capacity (steam in metric tons)	Metric Tons	1,579,920	1,524,240	55,680
3	Utilized capacity (steam in metric tons)	Metric Tons	1,211,931	1,037,239	174,692
4	Production:				-
	(a) High pressure steam	Metric Tons	561,408	520,135	41,273
	(b) Medium pressure steam	Metric Tons	650,523	517,104	133,419
	(c) Low pressure steam	Metric Tons	-	-	-
	(d) Less: Transit losses	Metric Tons	60,597	51,862	8,735
	(e) Total	Metric Tons	1,151,334	985,377	165,957
5	Percentage of capacity utilization (3/2 * 100)		76.71	68.05	8.66

S.No	Particulars	2021			2020		
		Metric tons	Per metric ton	Amount (Rs.)	Metric tons	Per metric ton	Amount (Rs.)
			Audited			Un-audited	
1	Water	-	-	116,094,224	-	-	113,059,561
2	Fuels:						
	(a) Bagasse						
	(i) Own (including handling expenses)	633,478.90	4,665.79	2,955,677,571	536,257.18	4,449.44	2,386,043,488
	(ii) Purchased	-	-	-	-	-	-
	(b) Pith	-	-	-	-	-	-
	(c) Coal purchased	-	-	-	-	-	-
	(d) Furnace oil	1.00	46,799.97	46,800	6.45	29,720.48	191,697
	(e) Fire wood	53.59	8,000.00	428,710	71.82	9,598.53	689,367
	(f) Gas	-	-	-	-	-	-
	(g) Other fuels (cane carrier, cleaning etc.)	-	-	-	-	-	-
3	Quantity of waste heat from the plant, if any	-	-	-	-	-	-
4	Consumable stores	-	-	-	-	-	-
5	Direct salaries, wages and benefits	-	-	34,977,894	-	-	39,794,448
6	Repair and maintenance	-	-	70,232,185	-	-	61,021,948

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S.No	Particulars	2021			2020		
		Metric tons	Per metric ton	Amount (Rs.)	Metric tons	Per metric ton	Amount (Rs.)
S.No	Particulars	2021			2020		
		Metric tons	Per metric ton	Amount (Rs.)	Metric tons	Per metric ton	Amount (Rs.)
			Audited			Un-audited	
7	Other direct expenses (e.g. Boiler inspection fee etc.)	-	-	-	-	-	-
8	Insurance	-	-	-	-	-	-
9	Depreciation	-	-	98,317,703	-	-	108,293,408
10	Total cost of steam raised (After Loss)	1,151,334.45	2,845.20	3,275,775,088	985,377.05	2,749.30	2,709,093,918
	Less: Outside sale	-	-	-	-	-	-
	Add: Cost of steam purchased	-	-	-	-	-	-
11	Total Cost of Steam Consumed	1,151,334.45	2,845.20	3,275,775,088	985,377.05	2,749.30	2,709,093,918
12	Allocation						
	Total of item 11 allocated to						
	(i) White Bagged Sugar	220,847.16	2,845.20	628,354,007	217,898.67	2,749.30	599,068,094
	(ii) Electric powerhouse (Annexure-8)	930,487.29	2,845.20	2,647,421,081	767,478.38	2,749.30	2,110,025,824
	(iii) Others						
	(a) Staff colony	-	-	-	-	-	-
	(b) Office building, etc.	-	-	-	-	-	-
	Total	1,151,334.45	2,845.20	3,275,775,088	985,377.05	2,749.30	2,709,093,918

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT OF COST OF ELECTRIC POWER PURCHASED/GENERATED AND CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Annexure-8

		2021 Audited	2020 Un-audited	Variance
1	Installed capacity (72,000KW) (2020: 63,000KW)	213,294,075	171,005,625	42,288,450
2	No. of units generated (KWH)	103,387,477	85,275,376	18,112,101
3	No. of units purchased (KWH)	2,544,853	2,627,399	(82,546)
4	Total (2+3)	105,932,330	87,902,775	18,029,555
5	Consumption in Power House including other losses	10,338,748	8,527,538	1,811,210
6	Net units consumed (4-5)	95,593,582	79,375,237	16,218,345
7	Percentage of consumption and losses to total units available 5/4 * 100	9.76	9.70	0.06
8	Percentage of power generated to installed capacity 2/1 * 100	48.47	49.87	(1.40)

S.No	Particulars	2021 Metric tons	2021 Per metric ton	2021 Amount (Rs.)	2020 Metric tons	2020 Per metric ton	2020 Amount (Rs.)
			Audited			Un-audited	
1	Steam (Annexure-7)	930,487.29	2,845.20	2,647,421,081	767,478.38	2,749.30	2,110,025,824
2	Consumable stores	-	-	-	-	-	-
3	Salaries and wages (Annexure-6)	-	-	40,099,120	-	-	66,337,614
4	Other direct expenses (diesel for generator)	-	-	5,722,614	-	-	15,572,800
5	Repair and maintenance	-	-	58,861,330	-	-	46,544,793
6	Duty on electricity	-	-	-	-	-	-
7	Depreciation	-	-	-	-	-	-
	Total			55,201,852	-	-	55,293,117
8	Less: (a) Credit for exhaust steam used in process etc 88%			2,807,297,038			2,293,774,149
	(b) Other credits ,if any			(2,329,730,551)			(1,828,489,353)
9	Cost of power generated			-			-
10	Less: Cost of power sold	(46,368,290)	12.69	477,565,476 (588,205,238)	(36,812,640.00)	13.87	465,284,796 (584,203,976)
11	Add: Cost of power purchased	-	-	58,337,407	-	-	60,320,476
12	Total net cost of power consumed			(52,301,375)			(58,598,704)
13	Cost per unit average	59,564,040	(0.88)	(52,301,375)	51,090,135	(1.15)	(58,598,704)
14	Total at Item 13 allocated to						
	(i) White bagged sugar	57,834,386.60	(0.88)	(50,782,619)	49,347,820.52	(1.15)	(56,600,326)
	(ii) Self - consumption	-	-	-	-	-	-
	(iii) Others	-	-	-	-	-	-
	(a) Staff colony	1,103,982	(0.88)	(969,373)	1,137,238	(1.15)	(1,304,374)
	(b) Office building	595,640	(0.88)	(523,014)	510,901	(1.15)	(585,987)
	(c) Other (Tubewell)	30,031	(0.88)	(26,369)	94,176	(1.15)	(108,016)
	Total	59,564,040	(0.88)	(52,301,375)	51,090,135	(1.15)	(58,598,704)

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING OTHER FACTORY OVERHEADS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Annexure-9

S.No	Particulars		2021		2020	
			Amount (Rs)	Cost per ton of sugar	Amount (Rs)	Cost per ton of sugar
	Total Sugar Produced 2020 - 189,842,600 metric tons Sugar Produced 2021 - 228,107 metric tons	Total	Audited M. Tons	Audited 228,107.00	Un-audited M. Tons	Un-audited 189,842.60
	Cost					
1	Rent, rate and taxes		-	-	-	-
2	Printing and stationery		1,205,391	5.28	418,894	2.21
3	Postage and telegram		45,847	0.20	44,812	0.24
4	Telephone fax and telex		1,662,648	7.29	1,352,364	7.12
5	Traveling and conveyance		2,106,889	9.24	1,427,029	7.52
6	Subscription, books and periodicals		-	-	-	-
7	Entertainment		1,385,426	6.07	1,268,873	6.68
8	Vehicle running expenses		97,488,703	427.38	59,203,578	311.86
9	Repair and maintenance buildings		11,991,662	52.57	4,919,492	25.91
10	Fire fighting		1,088,826	4.77	4,066,704	21.42
11	Other expenses		1,384,940	6.07	766,463	4.04
12	Total		118,360,332	518.88	73,468,209	387.00
	Allocated to					
	(i) White bagged sugar		118,360,332	518.88	73,468,209	387.00
	(ii) Electric power house		-	-	-	-
	(iii) Steam generation		-	-	-	-
	(iv) Others:					
	(a) Staff colony		-	-	-	-
	(b) Office building etc.		-	-	-	-
	Total as per item 12 above		118,360,332	518.88	73,468,209	387.00

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Annexure-10

S.No	Particulars	2021		2020	
		Amount (Rs) Audited	Cost per ton of sugar Audited	Amount (Rs) Un-audited	Cost per ton of sugar Un-audited
1	Total Sugar Sold 2020 - 205,867.100 metric tons Total Sugar Sold 2021 - 240,274.850 metric tons	21,721,318,336	90,401.96	16,176,664,922	78,578.19
2	Cost:				
	Director remuneration	4,080,000	16.98	4,080,000	19.82
	Salaries, Wages and Benefits (A- 6)	314,399,809	1,308.50	323,810,432	1,572.91
	Rent, rates and taxes.	3,491,259	14.53	5,653,719	27.46
	Insurance	459,290	1.91	381,227	1.85
	Water, gas and electricity	4,461,832	18.57	5,057,583	24.57
	Printing and stationery	5,468,613	22.76	4,155,974	20.19
	Postage and telegram	183,389	0.76	179,248	0.87
	Telephone fax and telex	6,650,594	27.68	5,409,454	26.28
	Repair and maintenance	13,977,845	58.17	7,867,022	38.21
	Traveling and conveyance	3,239,483	13.48	5,838,152	28.36
	Books and periodicals	63,650	0.26	53,198	0.26
	Entertainment.	2,559,330	10.65	9,853,333	47.86
	Advertising	1,674,533	6.97	298,806	1.45
	Legal and professional expenditure	50,809,680	211.46	87,389,203	424.49
	Auditor's remuneration.	2,068,583	8.61	1,880,530	9.13
	Vehicle running expenses	29,284,112	121.88	27,792,973	135.00
	Charity and donation.	5,750,050	23.93	50,369,564	244.67
	Fee and Subscription	10,136,484	42.19	8,625,224	41.90
	Depreciation and ammortization	54,260,780	225.83	51,400,750	249.68
	Others.	89,166,602	371.10	20,835,345	101.21
	Total	602,185,917	2,506.24	620,931,738	3,016.18

CHIEF EXECUTIVE OFFICER

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CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING SELLING EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Annexure-II

S.No	Particulars	2021		2020	
		Amount (Rs)	Cost per ton of sugar	Amount (Rs)	Cost per ton of sugar
		Audited	Audited	Un-audited	Un-audited
1	Total Sugar Sold 2020 - 205,867.100 metric tons Total Sugar Sold 2021 - 240,274.850 metric tons	21,721,318,336	90,401.96	16,176,664,922	78,578.19
2	Cost:				
	Salaries, Wages and Benefits (Annex 6).	11,067,814	46.06	11,866,394	57.64
	Commission.	14,023,425	58.36	9,459,060	45.95
	Freight outward.	136,922,213	569.86	87,247,982	423.81
	Stacking / Restacking.	30,823,768	128.29	19,650,232	95.45
	Loading / Unloading.	11,289,566	46.99	9,910,027	48.14
	Numbering Expenses	698,625	2.91	625,167	3.04
	Insurance	5,041,012	20.98	4,828,490	23.45
	Other Expenses.	3,193,655	13.29	1,624,128	7.89
	Total	213,060,078	886.73	145,211,480	705.37

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
RECONCILIATION OF COST OF SALES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	COST ACCOUNTS (RUPEES)	FINANCIAL ACCOUNTS (RUPEES)	DIFFERENCE (RUPEES)
Raw material consumed	15,626,000,776	15,550,751,614	75,249,162
Cost of Refined Sugar purchased	264,975,303	264,975,303	-
Salaries, wages and other benefits	261,974,632	437,503,802	(175,529,170)
Fuel and power	2,789,688,959	78,106,465	2,711,582,494
Stores, spare parts and loose tools	142,817,243	263,723,734	(120,906,491)
Repairs and maintenance	422,163,595	563,248,772	(141,085,177)
Insurance	5,561,422	5,561,422	-
Depreciation	296,174,390	449,693,946	(153,519,556)
Vehicle running	-	97,488,703	(97,488,703)
Miscellaneous	-	6,108,896	(6,108,896)
Factory Overheads	118,360,332	-	118,360,332
Total cost	19,927,716,652	17,717,162,657	2,210,553,995
Work in process-opening inventory	12,394,709	12,394,709	-
Work in process-closing inventory	(5,188,121)	(5,188,121)	-
	7,206,588	7,206,588	-
Total cost of goods manufactured	19,934,923,240	17,724,369,245	2,210,553,995
Less: Realizable value of By-Products:			
Molasses	(2,020,739,131)	-	(2,020,739,131)
Bagasse	(3,162,413,705)	-	(3,162,413,705)
Power sold			-
Others (Press mud)	(24,296,340)	-	(24,296,340)
	(5,207,449,176)	-	(5,207,449,176)
Net cost of goods manufacturing	14,727,474,065	17,724,369,245	(2,996,895,180)
Add: Packing material	120,904,345	-	120,904,345
Net cost of bagged sugar	14,848,378,410	17,724,369,245	(2,875,990,835)
Add: Excise duty / Sales Tax	3,150,484,795	-	3,150,484,795
Total cost of bagged sugar	17,998,863,205	17,724,369,245	274,493,960
Finished goods-opening inventory	971,474,592	971,474,592	-
Finished goods-closing inventory	(608,277,505)	(608,277,505)	-
	363,197,087	363,197,087	-
Cost of sales	18,362,060,292	18,087,566,332	274,493,960
Administrative expenses	602,185,917	580,452,858	21,733,059
Distribution and selling expenses	213,060,078	212,350,069	710,009
Financial expenses	462,855,194	471,229,634	(8,374,440)
Profit on deposit accounts	-	-	-
Total cost to make and sell	19,640,161,481	19,351,598,893	288,562,588

CHIEF EXECUTIVE OFFICER

BDO

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Schedule 1

Contents

Reconciliation of administrative expenses

Reconciliation of distribution and selling expenses

Reconciliation statement of financial charges

Reconciliation of Raw materials consumed

Reconciliation of statement of cost of sales

THE THAL INDUSTRIES CORPORATION LIMITED
RECONCILIATION OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Particulars	2021 Rupees	2020 Rupees
	Audited	Un-audited
Administrative expenses as per financial statements	580,452,858	622,055,856
Less:		
Firefighting (Annexure-10)	(1,088,826)	(4,066,704)
Postage and telegram (Annexure-10)	(45,847)	(44,812)
Telephone and telex (Annexure-10)	(1,662,648)	(1,352,364)
	(2,797,321)	(5,463,879)
Add:		
Salaries and wages (Annexure-6)	24,530,381	4,339,762
	602,185,917	620,931,738
Administrative expenses as per cost accounts	602,185,917	620,931,738

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
RECONCILIATION OF DISTRIBUTION AND SELLING EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Particulars	2021 Rupees Audited	2020 Rupees Un-audited
Distribution and selling expenses as per financial statements	212,350,069	144,328,487
Add:		
Canteen expenses (Annexure-6)	232	-
Group Insurance (Annexure -6)	114,383	60,919
Gratuity (Annexure -6)	579,327	617,423
Welfare and recreation expenses (Annexure-6)	16,067	204,652
Distribution and selling expenses as per cost accounts	213,060,078	145,211,481

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
RECONCILIATION STATEMENT OF FINANCIAL CHARGES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Particulars	2021 Rupees Audited	2020 Rupees Un-audited
Financial charges as per financial statements	471,229,634	775,924,705
Less :		
Profit on deposit account (Annexure-1)	(8,374,440)	(1,906,248)
Financial Charges as per cost accounts	462,855,194	774,018,457

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
RECONCILIATION OF RAW MATERIAL CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Particulars	2021 Rupees Audited	2020 Rupees Un-audited
Raw material as per financial statements	15,550,751,614	11,016,853,810
Add:		
Salaries & Wages Cane Department (Annexure-3)	75,249,161	109,090,643
Raw material as per cost accounts	15,626,000,776	11,125,944,453

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
RECONCILIATION STATEMENT OF COST OF SALE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Particulars	2021 Rupees Audited	2020 Rupees Un-audited
Cost of goods sold as per financial statements	18,087,566,332	13,460,623,936
Add:		
Sales tax/ Excise duty (Annexure -1)	3,150,484,795	2,326,884,808
Admin Expenses as per Financial Accounts	580,452,858	622,055,856
Selling Expenses as per Financial Accounts	212,350,069	144,328,487
Less:		
Realizable value of molasses (Annexure A-1)	(2,020,739,131)	(1,602,861,609)
Realizable value of bagasse (Annexure A-1)	(220,307,037)	(178,512,544)
Realizable value of Muds (Annexure A-1)	(24,296,340)	(5,019,357)
Realizable value of Electricity (Annexure A-8)	(588,205,258)	(584,203,976)
Admin Expenses as per Cost Accounts (A-10)	(602,185,917)	(620,931,738)
Selling Expenses as per Cost Accounts (A-11)	(213,060,078)	(145,211,480)
Cost of goods sold as per cost accounts	18,362,060,292	13,417,152,382

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER