COST AUDIT REPORT

THE THAL INDUSTRIES CORPORATION LIMITED

YEAR ENDED SEPTEMBER 30, 2014

Submitted By:

Ashiq & Company

Chartered Accountants

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ASHIQ & COMPANY

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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, 2014 and report that-

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

Ashiq Hussain
Chartered Accountant
Place: Multan
Dated: January 15, 2015

Ashiq & Co. MULTAN Chartered Accountants

THE THAL INDUSTRIES CORPORATION LIMITED
Cost Audit
For the Year Ended 30th September-2014

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

CAPACITY UTILIZATION IN PRODUCTION UNITS

CRUSHING	2014		2013	
UNITS	Installed Capacity M.Ton	Utilized Capacity M.Ton	Installed Capacity M.Ton	Utilized Capacity M.Ton
Sugar Cane Crushed	2,073,700	1,814,123	1,826,000	1,661,939

CAPACITY UTILIZATION IN MACHINE HOURS

CRUSHING	2014		2013	
HOURS	Installed Capacity Machine Hours	Utilized Capacity Machine Hours	Installed Capacity Machine Hours	Utilized Capacity Machine Hours
Sugar Cane Crushed	2,772	2637	2,687	2,503

Reason:

The under utilization of the capacity is due to shortage of sugarcane.

CHIEF EXECUTIVE

The Thal Industries Corporation Limited

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED
Cost Audit
For the Year Ended 30th September-2014

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

Particulars	2014		2013	
	Quantity (M. Ton)	Cost Rupees	Quantity (M. Ton)	Cost Rupees
Raw Material				
Sugar Cane	NIL	NIL	NIL	NIL
Work In Process				
Sugar	136.613	5,219,403	108.297	4,237,396
Molasses	78.426	823,473	60.305	603,050
Finished Goods				
Sugar	51,864.050	2,318,750,277	26,942.400	1,214,890,192
Others				
Molasses	1,000.160	10,501,680	4,016.930	40,169,300
Total		**2,335,294,833**		**1,259,899,938**

CHIEF EXECUTIVE

The Thal Industries Corporation Limited

CHIEF FINANCIAL OFFICER

THE THAL INDUSTRIES CORPORATION LIMITED

COST AUDIT FOR THE YEAR ENDED 30TH SEPTEMBER-2014

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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, 2014.

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).

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.

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 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 Gulgasht, Multan. The total crushing capacity of the company is 17,800 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 2014.

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	2014	M.TONS	2,073,700	1,814,123	87.48
Crushing	2013	M.TONS	1,826,000	1,661,939	91.02

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)	
	2014	2013
White Refined Sugar	178,629.600	161,733.450

b. Percentage of production to installed capacity:

Sugar	% To Total Installed Capacity	
	2014	2013
White Refined Sugar	87.48	91.02

Comments on variance

The under utilization of the capacity is due to shortage of sugarcane.

c. Addition to production capacity

The production capacity has been enhanced during the year from 16,000 TCD to 17,800 TCD. The added capacity is 1,800 TCD.

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
2014	1,814,144	7,702,484,994	4,245.80
2013	1,661,939	7,037,777,425	4,234.68
2012	1,668,548	6,389,569,908	3,829.42
2011	1,380,805	6,397,897,576	4,633.27

Transportation expenses during the year were Rs. 7,477,880/-(2013: 7,806,536/-)

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.

c. **Variance in Major Raw Materials Consumption**:

	Material Consumption per ton of sugar produced			**Increased / (Decrease) as compared with last years**	
Years	**2014**	**2013**	**2012**	**2014**	**2013**
Sugarcane	10.16	10.28	10.46	(0.12)	(0.18)

Explanation of variances:

The favorable variance in material consumption per M. Ton is due to better recovery in the current year i.e., 9.847% as compared to last year's recovery 9.732% due to better 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.

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

S.#	PARTICULARS	2014 RUPEES	2013 RUPEES	2012 RUPEES
I	Direct Labour Cost Of Production	130,086,925	118,994,940	91,470,249
II	Indirect Labour Cost Of Production	87,541,795	76,289,872	61,780,949
III	Employees Cost on Administration	136,412,566	121,828,776	90,441,363
IV	Employees Cost on selling & distribution	6,871,200	6,404,451	4,366,069
V	Other Employees Cost	-	-	-
	Total Employees Cost	**360,912,486**	**323,518,039**	**248,058,630**
VI*	Bonus to workers & employees	23,160,664	19,238,762	5,678,682

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

b. Salaries and Perquisites of Directors and Chief Executive.

Directors	2014	2013	Increase / (Decrease)	
	Rs.	Rs.	Rs.	%
Managerial remuneration	2,210,000	4,080,000	(1,870,000)	(45.83)
	2,210,000	4,080,000	(1,870,000)	(45.83)

Chief Executive	2014	2013	Increase / (Decrease)	
	Rs.	Rs.	Rs.	%
Managerial remuneration	2,040,000	2,040,000	-	-
Traveling/Daily Allowances.	-	-	-	-
	2,040,000	2,040,000	-	-

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

Plant	**Worked**	**Available**
Man days	110	116

d. Average Number of Workers Employed:

2014	**2013**
1,654	1,650

e. Direct Labour Cost Per M. Ton:

Description	**2014**	**2013**	**2012**	**Increase / (Decrease) 2014**	**Increase / (Decrease) 2013**
Direct labour cost per M. ton	728.25	735.74	573.37	(7.49)	162.37

f. Explanation for Variance in Items (e)

Decrease in cost per M. Ton is due to better recovery in the current year i.e., 9.847% as compared to last year's recovery 9.732%.

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**:

2014		**2013**	
Total Store Consumed	Cost Per M. Ton of Output	Total Store Consumed	Cost Per M. Ton of Output
Rs.	Rs.	Rs.	Rs.
185,710,506	1,039.64	147,091,529	909.47

b. **System of Stores Accounting**:

Store receipts are recorded on the basis of receiving report/goods inspection note, 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 moving average cost.

c. **Slow Moving Items**:

Slow moving items amounted to Rs. 73,527,768 that is 23 % 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.

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	2014 RUPEES	2013 RUPEES	2012 RUPEES
i.	Factory	102,656,413	87,602,151	74,118,081
ii.	Administration	240,656,400	198,406,832	152,097,463
iii.	Selling & Distribution	108,132,187	105,037,889	73,364,264
iv.	Financial	511,932,394	369,175,598	306,634,121
TOTAL		**963,377,394**	**760,222,470**	**606,213,929**

1. Factory Overheads:

S.No	Particulars	Amount in Rupees	
		This Year 2014	**Previous Year 2013**
		Amount Rs.	Amount Rs.
1	Indirect Labour	87,541,795	76,289,872
2	Rent, Rate and Taxes.	1,092,193	442,625
3	Printing and Stationery.	1,062,200	855,220
4	Postage and Telegram	46,095	34,407
5	Telephone Fax and Telex.	312,935	279,816
6	Traveling and Conveyance.	475,906	451,255
7	Books and Periodicals	-	-
8	Entertainment.	550,973	404,636
9	Vehicle Running Expenses.	8,065,433	6,411,993
10	Repair and Maintenance	3,173,754	1,998,262
11	Fire Fighting	335,129	434,065
12	Legal and professional charges	-	-
13	Advertisement	-	-
14	Water and electricity	-	-
15	Insurance	-	-
TOTAL		**102,656,413**	**87,602,151**

ii. Administrative Overheads:

S.No	Particulars	Amount in Rupees	
		This Year 2014	**Previous Year 2013**
		Amount Rs.	Amount Rs.
1	Salaries wages and benefits	140,662,566	127,948,776
2	Rent, Rates and Taxes.	5,399,362	3,836,454
3	Insurance.	37,658	149,070
4	Water, Gas and Electricity.	711,086	424,582
5	Printing and Stationery	2,026,874	1,721,208
6	Postage and Telegram.	310,867	273,091
7	Telephone Fax and Telex.	2,099,758	1,899,252
8	Repair and Maintenance. Building	5,176,774	5,178,183
9	Traveling and Conveyance.	2,182,861	5,700,689
10	Books and Periodicals.	75,115	96,828
11	Entertainment.	3,899,219	3,345,850
12	Advertising.	506,598	491,655
13	Legal and Professional Expenditure.	2,174,501	2,012,990
14	Auditor's Remuneration.	1,010,955	919,050
15	Vehicle Running Expenses.	12,250,716	12,407,961
16	Ijarah Rentals	5,510,800	10,878,978
17	Charity and Donation.	33,024,611	502,485
18	Fee and Subscription	3,667,112	2,983,279
19	Depreciation	10,627,000	6,609,373
20	Others.	9,301,967	11,027,078
TOTAL		**240,656,400**	**198,406,832**

iii. Selling and Distribution Overheads:

S.No	Particulars	Amount in Rupees	
		This Year 2014	**Previous Year 2013**
		Amount Rs.	Amount Rs.
1	Salaries, Wages and Benefits (Annex 6).	6,871,200	6,404,451
2	Traveling and Conveyance.	-	-
3	Commission.	4,193,475	4,849,281
4	Freight outward.	70,422,109	72,601,563
5	Stacking / Restacking.	12,628,704	12,116,984
6	Loading / Unloading.	6,564,708	3,992,338
7	Numbering Expenses.	439,734	375,965
8	Vehicle Running Expenses.	-	-
9	Advertising for Sales Promotion	-	-
10	Insurance	3,089,012	2,066,912
11	Other Expenses.	3,923,245	2,630,395
TOTAL		**108,132,187**	**105,037,889**

v. Financial Charges:

Particulars		2014	2013	2012
		Rupees	Rupees	Rupees
1	Financial Charges	511,932,394	369,175,598	306,634,121

b. Reasons for Significant Variances:

Increase in factory overhead as compared to previous year is mainly due to increase in indirect labour cost, rent rates & taxes, vehicle running expenses and repair & maintenance.

Increase in admin overhead as compared to previous year is mainly due to increase in salaries, wages & benefits, rent rates & taxes, charity & donations and depreciation.

Increase in selling & distribution expenses is due to increase in loading & unloading, insurance expenses and other 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 Material:

Particulars	2014	2013	Increase / (Decrease)	
	Rupees	Rupees	Rupees	Percentage %
Cost of Packing Material	84,795,765	64,262,408	20,533,357	31.95

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

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	2014	2013	2012	Increase / (Decrease)	
	Rupees/M. ton	Rupees/M. ton	Rupees/M. ton	Rupees	Percentage %
White Refined Sugar	46,180	56,930	45,094	11,836	26.24%

The decrease in cost per M. Ton as compared to previous year is mainly due to increase in production and getting the benefit of fixed cost.

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
2012	139,929.200	7,321,771,105	52,325
2013	174,701.550	9,282,150,632	53,132
2014	146,952.950	7,963,695,053	54,192

b. Export sales to Afghanistan:

White Refined Sugar	**Quantity M. Tons**	**Value**	**Avg. Sales Realization**	**Cost**	**Profit/(Loss)**
	M. Ton	Rupees	Rupees / M.Ton		
2012	100	5,389,350	53,894	4,509,368	879,982
2013	4,238	238,163,077	56,197	223,251,325	14,911,752
2014	6,755	325,928,538	48,250	311,943,378	13,985,160

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:	**2014**	**2013**	**2012**
White Refined Sugar (M.Ton)	153,707.950	178,939.550	140,029.200
Profit/(Loss) Rs.	83,513,259	314,921,058	164,322,597
Profit/(Loss) Rs./ M. Ton	543.324	1,759.930	1,173.50

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 un-justifiable.

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.***

The company is properly maintaing the budgetary control system to meet its day to day working capital requirements.

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.

10,300 T.C.D. plant is old and 7,500 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 2014

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:	
Unit-I	Layyah Sugar Mills, Layyah
Unit-II	Safina Sugar Mills, Lalian District Chinniot
5. Products Other Than Sugar Being Manufactured	Nil
6. Installed Cane Crushing Capacity In Tonnes	17,800 M.Tons per day.

B. PRODUCTION DATA :

S.No	Particulars	Current Year 2014	Previous Year 2013
1	2	3	4
1 (A)	**CANE CRUSHED**		
	Date of Start	23.11.2013	30.11.2012
	Date of Finish	28.03.2014	28.03.2013
	Duration of run days	116	112
	Total number of hours in duration	2,772.400	2,687.100
	Total number of hours of actual crushing	2,637.300	2,502.700
	Total number of hours lost	135.100	184.400
	Total cane milled (tonnes)	1,814,123.064	1,661,938.834
	Converted maunds	45,353,076.600	41,548,470.850
	Total mixed juice obtained (tonnes)	1,693,923.660	1,559,220.300
(B)	**RAW SUGAR**		
	Raw Sugar Processed-M.Ton	Nil	Nil
	Sugar Made-M.Ton	Nil	Nil
	Recovery%	Nil	Nil
	Molasses Sent Out-M.Ton	Nil	Nil
	Molasses %	Nil	Nil
2	JUICE & ADDED WATER		
	Average mixed juice % cane	93.374	93.819
	Average added water % cane	24.244	23.319

The Thal Industries Corporation Limited

S.No.	Particulars	Current Year 2014	Previous Year 2013
1	2	3	4
3	SUGAR MADE-Cane		
	Total sugar bagged of all grade (100 kg)	Nil	Nil
	(50 kg)	3,572,592.000	3,234,669.000
	Sugar bagged (tonnes)	178,629.600	161,733.450
	Sugar in process (tonnes)	136.613	108.297
4	MOLASSES EXTRACTED		
	Total molasses sent out (tonnes)	79,312.649	76,102.454
	Molasses in process (tonnes)	78.426	60.305
5	RECOVERY %		
	Laboratory test percentage recovery of sugarcane		
	Average recovery of marketable white sugar % cane	9.847	9.732
	Average production of final mollasses % cane	4.372	4.579
6	BY-PRODUCTS		
	Bagasses % cane (calculated) (tonnes)	30.140	29.403
	V.F.Cake % cane (tonnes)	3.000	3.000
7	CLARIFICATION PROCESS		
	Specify the process used by the mill	Defecation Remelt Phosphitation	

The Thai Industries Corporation Limited

S.No	Particulars	2014		Previous Year 2013	
		Amount (Rs.)	Cost per ton of sugar	Amount (Rs.)	Cost per ton of sugar
16	Less. Realizable value of By-Products:				
	Molasses	(875,197,272)	(4,899.51)	(732,703,747)	(4,530.32)
	Bagasse	(640,545,413)	(3,585.89)	(1,036,515,187)	(6,408.79)
	Others.(Press Mud)	(3,016,099)	(16.88)	(1,538,715)	(9.51)
17	**Net Cost of Goods Manufacturing:**	**7,722,808,830**	**43,233.65**	**7,100,525,012**	**43,902.64**
18	Add :Packing Material	84,795,765	474.70	64,262,408	397.34
19	**Net Cost of Bagged Sugar.**	**7,807,604,595**	**43,708.35**	**7,164,787,420**	**44,299.97**
20	Add :Excise duty / Sales Tax.	654,915,137	3,666.33	776,835,801	4,803.19
21	**Total Cost of Bagged Sugar**	**8,462,519,732**	**47,374.68**	**7,941,623,221**	**49,103.16**
22	Add: Opening stocks	1,255,059,492	7,026.04	1,848,335,002	11,428.28
23	Less: Closing Stocks	(2,329,251,957)	(13,039.56)	(1,255,059,492)	(7,760.05)
24	**Cost of Sales.**	**7,388,327,267**	**41,361.16**	**8,534,898,731**	**52,771.39**
25	Administrative Expenses (Annex 10).	240,656,400	1,347.24	198,406,832	1,226.75
26	Selling and Distribution Expenses (A. 11).	108,132,187	605.34	105,037,889	649.45
27	Financial Expenses.	511,932,394	2,865.89	369,175,598	2,282.62
28	Other Charges.	-	-	-	-
	Total Cost to Make and Sell.	**8,249,048,248**	**46,179.63**	**9,207,519,051**	**56,930.21**

* *This includes Rs. 314,254,878/- Credit for exhaust steam Annex-8.*

** *This consist of cost as per Annex-8 less Water cost of Rs. 41,426,695 Annex-7.*

The Thal Industries Corporation Limited

Annexure - 1

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF PRODUCTION AND SALE OF WHITE BAGGED SUGAR
FOR THE YEAR ENDED 30th. SEPTEMBER 2014

Quantitative Data - Bagged Sugar

	2014	2013
	M.TON	
Opening Stock	26,942.400	44,148.500
Production	178,629.600	161,733.450
Sales	(153,707.950)	(178,939.550)
Closing Stock	**51,864.050**	**26,942.400**

S.No	Particulars	2014		Previous Year 2013	
		Amount (Rs.)	Cost per ton of sugar	Amount (Rs.)	Cost per ton of sugar
1	Raw Materials:				
	(a) Sugar Cane (Annex 3).	7,836,069,422	43,867.70	7,154,954,368	44,239.17
	(b) Beet (Annex 4).	-	-	-	-
	(c) Gur.	-	-	-	-
	(d) Raw Sugar.	-	-	-	-
	(e) Process Material (Annex 5).	90,108,739	504.44	72,154,628	446.13
2	Salaries / Wages and benefits (Annex 6).	122,461,945	685.56	111,504,305	689.43
3	Consumable Stores.	10,806,003	60.49	10,674,492	66.00
4	Repair and Maintenance	246,514,043	1,380.03	214,636,165	1,327.10
5	Utilities:	-	-	-	-
6	Steam (Annex 7) *	714,525,757	4,000.04	1,050,658,130	6,496.23
7	Electric Power (Annex 8). **	55,860,646	312.72	98,272,476	607.62
8	Water and Gas.	-	-	-	-
9	Insurance.	2,138,037	11.97	2,050,911	12.68
10	Depreciation.	149,170,835	835.08	144,155,380	891.31
11	Other Factory Overheads (Annex 9)	15,114,618	84.61	11,312,279	69.94
12	**Total Cost**	**9,242,770,045**	**51,742.66**	**8,870,373,133**	**54,845.63**
13	Add: Opening Stock of W.I.P.	4,840,446	27.10	5,749,974	35.55
14	Less: Closing Stock of W.I.P.	(6,042,876)	(33.83)	(4,840,446)	(29.93)
15	**Total Cost of goods Manufacturing**	**9,241,567,615**	**51,735.93**	**8,871,282,661**	**54,851.25**

The Thal Industries Corporation Limited

Annexure-2

THE THAL INDUSTRIES CORPORATION LIMITED

STATEMENT SHOWING COST OF SUGARCANE PRODUCED

FOR THE YEAR ENDED 30th SEPTEMBER-2014

Sr. No.	Particulars	Current Year		Previous Year.	
		Quantity (in M. Tons)	Amount (Rs.)	Quantity (in M. Tons)	Amount (Rs.)
1	2	3	4	5	6
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 & 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				

The Thal Industries Corporation Limited

Annexure - 3

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF SUGARCANE CRUSHED
FOR THE YEAR ENDED 30th. SEPTEMBER 2014

S.No	Particulars	Year- 2014			Year- 2013		
		Quantity M.Tons	Rate Rs./M.Ton	Amount Rs.	Quantity M.Tons	Rate Rs./M.Ton	Amount Rs.
1	Total sugarcane purchased at Government fixed rate.	1,814,143.926	4,245.80	7,702,484,994	1,661,938.834	4,234.68	7,037,777,425
	Sugarcane produced from own farm (A-2)		-			-	
	Less: Loss in transit	20.862	4,245.80	88,576	-	4,234.68	-
	Sugarcane received at factory gate.	1,814,123.064	4,245.80	7,702,396,418	1,661,938.834	4,234.68	7,037,777,425
2	Commission.	1,814,123.064	-	-	1,661,938.834	-	-
3	Quality premium	1,814,123.064	-	-	1,661,938.834	-	-
4	Unloading & Feeding of Cane	1,814,123.064	0.33	593,807	1,661,938.834	0.99	1,640,960
5	Cane development expenses.	1,814,123.064	1.34	2,428,842	1,661,938.834	2.17	3,612,841
	(a) Salaries and wages of Supply and Dev. Staff	1,814,123.064	19.36	35,124,031	1,661,938.834	18.01	29,931,617
	(b) Sugarcane Development Research	1,814,123.064	-	-	1,661,938.834	-	-
	© Supply staff and transportation expenses.	1,814,123.064	4.12	7,477,880	1,661,938.834	4.70	7,806,536
	(d) Other expenditure.(Misc Procurement Exp)	1,814,123.064	1.22	2,212,038	1,661,938.834	1.36	2,267,216
6	Taxes and Levies:						
	(a) Cane cess	1,814,123.064	25.00	45,353,600	1,661,938.834	25.00	41,548,467
	(b) Market Committee fee	1,814,123.064	5.00	9,070,719	1,661,938.834	5.00	8,309,680
	© Road cess	1,814,123.064	-	-	1,661,938.834	-	-
	(d) Octroi. (Toll Tax)	1,814,123.064	-	-	1,661,938.834	-	-
	(e) Other levies	1,814,123.064	-	-	1,661,938.834	-	-
7	Transportation Charges:						
	(a) Delivery expenses	1,814,123.064	14.51	26,317,194	1,661,938.834	10.71	17,795,751
	(b) Transport subsidy	1,814,123.064	-	-	1,661,938.834	-	-
	© Others	1,814,123.064	0.31	569,445	1,661,938.834	0.23	378,055
8	Other Expenditure at Cane Collection Centers:						
	(a) Salaries and Wages	1,814,123.064	2.45	4,436,872	1,661,938.834	2.34	3,885,820
	(b) Stores	1,814,123.064	-		1,661,938.834	-	
	© Repairs and Maintenance.	1,814,123.064	-		1,661,938.834	-	
	(d)Others.	1,814,123.064	-		1,661,938.834	-	
	Total cost of sugarcane transferred to production process (Annex -1)	**1,814,123.064**	**4,319.48**	**7,836,069,422**	**1,661,938.834**	**4,305.19**	**7,154,954,368**



Annexure-4

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF BEET CONSUMED
FOR THE YEAR ENDED 30th SEPTEMBER-2014

Sr. No.	Particulars	Current Year-2014			Previous Year- 2013		
		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

The Thal Industries Corporation Limited

Annexure - 5

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF PROCESS MATERIAL CONSUMED
FOR THE YEAR ENDED 30th. SEPTEMBER 2014

S.No	Particulars	Currant Year-2014		Previous Year-2013	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
	Total Sugar Produced 2013 - 161,733.450 Tons Total Sugar Produced 2014 - 178,629.600 Tons				
1	Phosphoric Acid	12,485,453	69.90	10,731,470	66.35
2	Filter Acid.(HCL)	219,656	1.23	126,583	0.78
3	Acid Inhibitor (Kafzol RN)	441,099	2.47	406,202	2.51
4	Bleaching Powder	221,670	1.24	309,284	1.91
5	BIO CIDE (Preventol ZL)	2,393,600	13.40	2,562,400	15.84
6	Chemfloc 57/56 HP/ Accofloc(Poly Electrolyte)	1,482,191	8.30	1,231,521	7.61
7	Colour Quest 55(DeColourizer)	28,627,784	160.26	20,815,189	128.70
8	Chem Float - 100 (Floatation Aid)	487,551	2.73	951,778	5.88
9	Polymer A 2125	1,057,988	5.92	701,122	4.34
10	Polymer A 110	167,754	0.94	3,883	0.02
11	Accofloc A-110PWG	521,498	2.92	194,100	1.20
12	Chemrite FD 30 DC Antifoam	89,829	0.50	47,475	0.29
13	Formalin.	111,856	0.63	86,158	0.53
14	Unslaked Lime	11,028,269	61.74	8,146,393	50.37
15	Soda Ash	464,629	2.60	519,287	3.21
16	Solid Caustic Soda.	3,059,550	17.13	2,572,010	15.90
17	Sodium Meta Phosphate	387,390	2.17	376,508	2.33
18	Common Salt	7,710	0.04	4,485	0.03
19	Tri Sodium Phosphate(Chem Float A 100)	36,307	0.20	27,750	0.17
20	Visc Aid (Hastapal)	455,212	2.55	344,109	2.13
21	Kem Talo-Cide DTA "Bio Cide"	-	-	775,848	4.80
22	Talo Floate A-100	391,550	2.19	275,851	1.71
23	Others	163,774	0.92	169,455	1.05
24	Laboratory Chemicals.	2,078,329	11.63	2,002,136	12.38
25	Lubricants and Grease.	23,684,387	132.59	18,773,632	116.08
26	Filter Cloth	43,704	0.24	-	-
	Total.	**90,108,739**	**504.44**	**72,154,628**	**446.13**
	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 (Annex-1)	**90,108,739**	**504.44**	**72,154,628**	**446.13**

The Thal Industries Corporation Limited

Annexure - 6

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF SALARIES ,WAGES AND BENEFITS
FOR THE YEAR ENDED 30th. SEPTEMBER 2014

S.No	Particulars	This Year 2014		Previous Year-2013	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
	Total Sugar Produced 2013 - 161,733.450 Tons Total Sugar Produced 2014 - 178,629.600 Tons				
	Cost:				
1	**Salaries / Wages**				
(i)	Officers and Permanent Staff.	158,984,420	890.02	139,855,062	864.73
(ii)	Seasonal Staff.	21,550,802	120.65	18,716,385	115.72
(iii)	Daily rated and Contract Labour.	118,699,823	664.50	109,517,407	677.15
(iv)	Bonuses.	23,160,664	129.66	19,238,762	118.95
	Benefits:				
(i)	Medical Expenses.	2,651,586	14.84	2,168,428	13.41
(ii)	Canteen Expenses.	323,760	1.81	263,490	1.63
(iii)	Welfare , Recreation.	4,896,290	27.41	4,825,592	29.84
(iv)	Transport and Traveling.	-	-	-	-
(v)	Education cess / Expenses.	124,575	0.70	726,415	4.49
(vi)	Group Insurance / Workmen	1,432,312	8.02	1,084,509	6.71
(vii)	Haj Expenses	430,097	2.41	1,090,165	6.74
(viii)	Gratuity / Pension.	13,302,273	74.47	9,818,565	60.71
(ix)	Other Benefits (E.O.B.I.).	4,661,133	26.09	5,067,892	31.33
(x)	Earned Leave	3,529,209	19.76	3,865,078	23.90
(xi)	Social Security Contribution	7,165,542	40.11	7,280,289	45.01
	Total:	**360,912,486**	**2,020.45**	**323,518,039**	**2,000.32**
	Less allocated to----				
(a)	Raw Material.	39,560,903	221.47	33,817,437	209.09
(b)	Electricity Generation.	36,707,059	205.49	32,671,149	202.01
(C)	Steam Generation.	18,898,813	105.80	17,291,921	106.92
(d)	Admin Expenses.	136,412,566	763.66	121,828,776	753.27
(e)	Selling and Distribution Expenses	6,871,200	38.47	6,404,451	39.60
(f)	Any Other Specify.				
	Total	**238,450,541**	**1,334.89**	**212,013,734**	**1,310.88**
	Balance transferred to production process (Annexure -1)	**122,461,945**	**685.56**	**111,504,305**	**689.43**

The Thal Industries Corporation Limited

Annexure-7

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING COST OF STEAM GENERATED / CONSUMED
FOR THE YEAR ENDED 30th. SEPTEMBER 2014

S.No.	Particulars	Unit	Currant Year 2014	2013	Variance
	Types of steam boilers used (Water Tubes)				
1	No. of days worked.		116.00	112.00	4.00
2	Installed capacity (steam in tones)	Ton	1,545,120	1,128,582	416,538.00
3	Utilised capacity (steam in tones)	Ton	1,045,329	943,012	102,317.00
4	Production:				-
	(a) High pressure steam.				-
	(b) Medium pressure steam.	Ton	1,045,329	943,012	102,317.00
	(c) Low pressure steam.				-
	(d) less: transit losses.	Ton	1,045.33	943.01	102.32
	(e) Total.	Ton	1,044,283.67	942,068.99	102,214.68
5	Percentage of capacity utilization (3/2 * 100).		67.65	83.56	(15.90)

S.No	Particulars	This Year 2014			Previous Year-2013		
		Quantity M.Ton	Rate per Unit Rs	Amount Rs.	Quantity M.Ton	Rate per Unit Rs	Amount Rs.
1	Water	-	-	41,426,695	-	-	48,358,913
2	Fuels:	-	-	-	-	-	-
	(a) Bagasse:						
	(i) Own (incl.handling exp.)	529,257.58	1,186.70	628,068,192	466,926.60	2,137.66	998,130,100
	(ii) Purchased.			-			-
	(b) Pith.			-			-
	© Coal purchased.			-			-
	(d) Furnace Oil	1.00	28,328.00	28,328	5.96	19,515.09	116,388
	(e) Fire wood	313.93	6,421.00	2,015,745	240.01	5,836.97	1,400,930
	(f) Gas			-			-
	(g) Other fuels, (cane carrier cleaning etc.)			152,895			144,129
3	Quantity of waste heat from the plant, if any.			-			-
4	Consumable Stores.			-			-
5	Direct salaries, Wages and benefits.			18,898,813			17,291,921
6	Repair and maintenance.			27,670,746			25,651,317
7	Other direct expenses (e.g. Boiler insp fee.etc)			344,000			30,000
8	Insurance.						
9	Depreciation.			38,773,281			13,284,308
	Total cost of steam raised. (After Loss)	**1,044,283.67**	**725.26**	**757,378,695**	**942,068.99**	**1,172.32**	**1,104,408,006**
10	Less: Outside sale.	-	-	-	-	-	-
	Add: Cost of steam purchased.	-	-	-	-	-	-
	Total Cost of Steam Consumed.	**1,044,283.67**	**725.26**	**757,378,695**	**942,068.99**	**1,172.32**	**1,104,408,006**

The Thal Industries Corporation Limited

S.No	Particulars	This Year 2014			Previous Year-2013		
		Quantity M.Ton	Rate per Unit Rs	Amount Rs.	Quantity M.Ton	Rate per Unit Rs	Amount Rs.
12	ALLOCATION						
	Total of item 12 allocated to------						
	(i) White Bagged Sugar.	551,898.73	725.26	400,270,879	559,993.32	1,172.32	656,492,369
	(ii) Electric powerhouse (Annex-8)	492,384.94	725.26	357,107,816	382,075.67	1,172.32	447,915,637
	(iii) Others.			-			-
	(a) Staff colony			-			-
	(b) Office building ,etc.			-			-
	Total	**1,044,283.67**		**757,378,695**	**942,068.99**		**1,104,408,006**

The Indus Industrias Corporation Limited

Annexure - 8

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT OF COST OF ELECTRIC POWER PURCHASED / GENERATED AND CONSUMED
FOR THE YEAR ENDED 30th. SEPTEMBER 2014

		Year 2014	Year 2013	Variance.
1	Installed Capacity (39,200KW) (2013: 24,200KW)	108,678,080	65,027,820	43,650,260
2	No. of units generated (KWH).	44,762,267	34,734,152	10,028,115
3	No. of units purchased (KWH).	1,365,805	1,676,246	(310,441)
4	Total (2+3).	46,128,072	36,410,398	9,717,674
5	Consumption in Power House including other losses.	4,476,227	3,473,415	1,002,812
6	Net units consumed (4-5).	41,651,845	32,936,983	8,714,862
7	Percentage of consumption and losses to total units Available = 5/4 * 100.	9.704	9.540	0.16
8	Percentage of power generated to installed capacity 2/1 * 100.	41.19	53.41	(12.23)

S.No	Particulars	This Year 2014			Previous Year-2013		
		Quantity Units	Rate Rs./Unit	Amount Rs.	Quantity Units	Rate Rs./Unit	Amount Rs.
1	Steam (Annex 7).	492,384.94		357,107,816	382,075.67		447,915,637
2	Consumable Stores.			-			-
3	Salaries and Wages.(A-6)			36,707,059			32,671,149
4	Other direct expenses. (Diesel For Generator)			15,674,728			17,466,698
5	Repair and maintenance.			24,634,111			20,112,008
6	Generator Rental			-			-
7	Duty on electricity			6,359			1,421,834
8	Depreciation.			18,137,561			19,966,988
	Total.			**452,267,635**			**539,554,314**
9	* Less: (a) Credit for exhaust steam used in process etc.88%			(314,254,878)			(394,165,761)
	(b) Other credits ,if any.			-			-
10	Cost of power generated.			138,012,757			145,388,554
11	Less: cost of power sold.	(6,110,645)	10.208	(62,378,882)	(1,875,140)	10.311	(19,334,155)
12	Add: cost of power purchased.			21,653,466			20,576,991
	Total net cost of power consumed.			**97,287,341**			**146,631,390**
13	Cost per unit average.	37,175,618	2.617	97,287,341	29,463,568	4.977	146,631,390
	Total at item 12 allocated to-----						
	(i) White bagged sugar	36,308,000	2.617	95,016,813	28,678,762	4.977	142,725,646
	(ii) Self - consumption.	-	-	-	-	-	-
	(iii) Others	-	-	-	-	-	-
	(a) Staff colony	428,160	2.617	1,120,480	444,600	4.977	2,212,642
	(b) Office building	371,756	2.617	972,873	294,636	4.977	1,466,314
	(c) Other (Tubewell)	67,702	2.617	177,174	45,570	4.977	226,788
	Total			**97,287,341**			**146,631,390**

The Thal Industries Corporation Limited

Annexure - 9

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING OTHER FACTORY OVERHEADS
FOR THE YEAR ENDED 30th. SEPTEMBER 2014

S.No	Particulars	Amount in Rupees			
		This Year 2014		Previous Year 2013	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
	Total Sugar Produced 2013 - 161,733.450 Tons Total Sugar Produced 2014 - 178,629.600 Tons				
	Cost:				
1	Rent, Rate and Taxes.	1,092,193	6.11	442,625	2.74
2	Printing and Stationery.	1,062,200	5.95	855,220	5.29
3	Postage and Telegram	46,095	0.26	34,407	0.21
4	Telephone Fax and Telex.	312,935	1.75	279,816	1.73
5	Traveling and Conveyance.	475,906	2.66	451,255	2.79
6	Subscription, Books and Periodicals	-	-	-	-
7	Entertainment.	550,973	3.08	404,636	2.50
8	Vehicle Running Expenses.	8,065,433	45.15	6,411,993	39.65
9	Repair and Maintenance Buildings	3,173,754	17.77	1,998,262	12.36
10	Fire Fighting	335,129	1.88	434,065	2.68
11	Other Expenses	-	-	-	-
	Total	**15,114,618**	**84.61**	**11,312,279**	**69.94**
	Allocated to----				
	(i) white Bagged Sugar.	15,114,618	84.61	11,312,279	69.94
	(ii) Electric Power House.	-	-	-	-
	(iii) Steam Generation.	-	-	-	-
	(iv) Others:	-	-	-	-
	(a) Staff Colony.	-	-	-	-
	(b) Office Building etc.	-	-	-	-
	Total as per item 12 above.	**15,114,618**	**84.61**	**11,312,279**	**69.94**

The Thal Industries Corporation Limited

Annexure - 10

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 30th. SEPTEMBER 2014

S.No	Particulars	This Year-2014		Previous Year-2013	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
1	Total Sugar Sold 2013 - 178,939.550 Tons Total Sugar Sold 2014 - 153,707.950 Tons	8,289,623,591	53,931.00	9,520,313,709	53,204.08
2	**Cost:**				
	Director Remuneration	4,250,000	27.65	6,120,000	34.20
	Salaries, Wages and Benefits (A- 6).	136,412,566	887.48	121,828,776	680.84
	Rent, Rates and Taxes.	5,399,362	35.13	3,836,454	21.44
	Insurance.	37,658	0.24	149,070	0.83
	Water, Gas and Electricity.	711,086	4.63	424,582	2.37
	Printing and Stationery	2,026,874	13.19	1,721,208	9.62
	Postage and Telegram.	310,867	2.02	273,091	1.53
	Telephone Fax and Telex.	2,099,758	13.66	1,899,252	10.61
	Repair and Maintenance.	5,176,774	33.68	5,178,183	28.94
	Traveling and Conveyance.	2,182,861	14.20	5,700,689	31.86
	Books and Periodicals.	75,115	0.49	96,828	0.54
	Entertainment.	3,899,219	25.37	3,345,850	18.70
	Advertising.	506,598	3.30	491,655	2.75
	Legal and Professional Expenditure.	2,174,501	14.15	2,012,990	11.25
	Auditor's Remuneration.	1,010,955	6.58	919,050	5.14
	Vehicle Running Expenses.	12,250,716	79.70	12,407,961	69.34
	Charity and Donation.	33,024,611	214.85	502,485	2.81
	Fee and Subscription	3,667,112	23.86	2,983,279	16.67
	Ijarah Rentals	5,510,800	35.85	10,878,978	60.80
	Depreciation	10,627,000	69.14	6,609,373	36.94
	Others.	9,301,967	60.52	11,027,078	61.62
	Total	**240,656,400**	**1,565.67**	**198,406,832**	**1,086.18**

The Thal Industries Corporation Limited

Annexure - 11

THE THAL INDUSTRIES CORPORATION LIMITED
STATEMENT SHOWING SELLING EXPENSES
FOR THE YEAR ENDED 30th. SEPTEMBER 2014

S.No	Particulars	This Year-2014		Previous Year-2013	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
1	Total Sugar Sold 2013 - 178,939.550 Tons Total Sugar Sold 2014 - 153,707.950 Tons	8,289,623,591	53,931.00	9,520,313,709	53,204.08
2	**Cost:**				
	Salaries, Wages and Benefits (Annex 6).	6,871,200	44.70	6,404,451	35.79
	Commission.	4,193,475	27.28	4,849,281	27.10
	Traveling & Conveyance	-	-	-	-
	Freight outward.	70,422,109	458.16	72,601,563	405.73
	Stacking / Restacking.	12,628,704	82.16	12,116,984	67.72
	Loading / Unloading.	6,564,708	42.71	3,992,338	22.31
	Numbering Expenses	439,734	2.86	375,965	2.10
	Vehicle Running Expenses	-	-	-	-
	Advertising for sales promotion	-	-	-	-
	Insurance	3,089,012	20.10	2,066,912	11.55
	Other Expenses.	3,923,245	25.52	2,630,395	14.70
	Total .	**108,132,187**	**703.49**	**105,037,889**	**523.92**

The Thal Industries Corporation Limited

ASHIQ & COMPANY
Chartered Accountants
Office No. 9, First Floor Liberty Center
LMQ Road Multan Ph# 061-4518015

THE THAL INDUSTRIES CORPORATION LIMITED
Reconciliation of Cost of Goods Manufactured
For the year ended September 30, 2014

Cost as per cost accounts		**9,241,567,615**
Add: Amounts taken in sales in financial accounts but deducted from cost in cost accounts		
Sale of Electricity		62,378,882
Add:		
Packing material not included in cost accounts in cost of goods manufactured but included in financial accounts		84,795,765
Less: Expenses taken in cost of goods manufactured in cost accounts but not in financial accounts		
Admin expenses as per cost accounts:	240,656,400	
Admin expenses as per financial accounts:	(241,150,929)	(494,529)
Add: Expenses taken in cost of goods manufactured in financial accounts but not in cost accounts		
Selling and distribution expenses as per cost accounts:	108,132,187	
Selling and distribution expenses as per financial accounts:	(107,744,521)	387,666
Less: Expenses taken in cost accounts but not in financial accounts		
In house Baggasse consumption (less removal charges)		(620,032,177)
Cost as per financial accounts		**8,768,603,221**

Chartered Accountants

ASHIQ & COMPANY
Chartered Accountants
Office No. 9, First Floor Liberty Center
LMQ Road Multan Ph# 061-4518015

THE THAL INDUSTRIES CORPORATION LIMITED
Reconciliation of Cost of Goods Sold
For the year ended September 30, 2014

Cost as per cost accounts		**7,388,327,267**
Add: Amounts taken in sales in financial accounts but deducted from cost in cost accounts		
Sale of Molasses		875,197,272
Sale of Electricity		62,378,882
Sale of Bagasse		20,513,236
Sale of Press Mud		3,016,099
		961,105,489
Less: Expenses taken in cost of goods manufactured in cost accounts but not in financial accounts		
Admin expenses as per cost accounts:	240,656,400	
Admin expenses as per financial accounts:	(241,150,929)	(494,529)
Add:Expenses included in cost of goods manufactured in financial accounts but not in cost accounts		
Selling and distribution expenses as per cost accounts:	108,132,187	
Selling and distribution expenses as per financial accounts	(107,744,521)	387,666
Less: Expenses included in cost accounts but not taken in financial		
Sales tax and excise duty		(654,915,137)
Cost as per financial accounts		**7,694,410,756**

Chartered Accountants

ASHIQ & COMPANY
Chartered Accountants
Office No. 9, First Floor Liberty Center
LMQ Road Multan Ph# 061-4518015

THE THAL INDUSTRIES CORPORATION LIMITED
Reconciliation of Administrative Expenses
For the year ended September 30, 2014

Expenses as per cost accounts		**240,656,400**
Add: Expenses included in financial accounts but not taken in cost accounts		
Postage and telegram	46,095	
Telephone and telex	312,935	
Firefighting	3,649	
Staff welfare and others	131,850	
	494,529	
Expenses as per financial accounts		**241,150,929**

Chartered Accountants

ASHIQ & COMPANY
Chartered Accountants
Office No. 9, First Floor Liberty Center
LMQ Road Multan Ph# 061-4518015

THE THAL INDUSTRIES CORPORATION LIMITED
Reconciliation of Selling and Distribution Expenses
For the year ended September 30, 2014

Expenses as per cost accounts	**108,132,187**
Less: Expenses included in cost accounts but not taken in financial accounts	
Canteen subsidy	6,540
Staff Welfare	83,485
Insurance	28,933
Gratuity	268,708
	387,666
Expenses as per financial accounts	**107,744,521**

Chartered Accountants