



COST AUDITOR'S REPORT

ALI AKHTAR ADNAN
Chartered Accountants

We, Ali Akhtar Adnan Chartered Accountants having been appointed to conduct an audit of cost accounts of M/s Shahtaj Sugar Mills Limited, have examined the books of account and the statements specified under first proviso to sub-section (1) of section 220 of the Companies Act, 2017 and the 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 purpose of this audit.

1. 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 obtained 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.

2. 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, cost of sales, marketing and any other information of the undermentioned product of the company, namely:-
 - i) Sugar

The matters contained in the annexures form part of this report and approved by the board on March 22, 2022

Ali Akhtar Adnan

ALI AKHTAR ADNAN
(Chartered Accountants)

Date: March 28, 2022



**SHAHTAJ SUGAR MILLS LIMITED
COST AUDITOR'S REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

SHAHTAJ SUGAR MILLS LIMITED
COST AUDIT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Report to the directors of the company as required by regulation 6(3) of the Companies (Maintenance and Audit of Cost Accounts) Regulations, 2020.

1- CANE CRUSHING CAPACITY

Licensed and installed capacity	
2021	1,440,000 M. tons for 120 days
2020	1,440,000 M. tons for 120 days
2019	1,440,000 M. tons for 120 days
Utilized / Actual cane crushed	
2021	842,079 M. tons
2020	630,074 M. tons
2019	750,785 M. tons
Days worked	
2021	118 days
2020	102 days
2019	97 days

The company is not engaged in any other activity except the manufacturing of sugar. The cane crushing facility is owned by the company.

2- COST ACCOUNTING SYSTEM

Sugar manufacturing is carried out by a simple processing system starting from cane crushing to extraction of juice and conversion into white sugar in one-go. The company operates a fully integrated cost accounting system under which cost accounting records are integrated with financial accounting ledgers to determine the cost of sugar.

It is practically difficult to determine standards in the sugar industry because sucrose recovery is dependent on the quality of sugarcane which cannot be classified due to changing weather conditions and differing yields per acre of sugar cane grown in different areas/regions. Cost accounting system adopted by the company is operating satisfactorily and is in accordance with the generally accepted cost accounting principles and practices.

The company prepares the short term budget for the business and monitor the same regularly. There has been no change in accounting policy on determination and valuation of any stock, work in process or any other cost.

3- PRODUCTION

a) Production (Sugar)

	2021 (M. tons)	2020 (M. tons)	2019 (M. tons)
Installed Capacity	144,000 for 120 days	144,000 for 120 days	144,000 for 120 days
Actual Production	81,181	59,204	74,585
From raw sugar	NIL	NIL	NIL
Total	81,181	59,204	74,585

b) Percentage with installed capacity

Sugar produced	56.38	41.11	51.80
Sugarcane crushing	58.48	43.76	52.14

The shortfall in production viz a viz installed capacity is due to shortage of raw material (sugarcane) supply, actual sugar production was higher for the year by 37.12% as compared to the year 2020 and by 8.84% as compared to the year 2019.



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MACHINE HOURS UTILIZATION

	2021	2020	2019
Available hours	2,810	2,423.50	2,308.50
Utilized hours	2,399.67	1,895.25	2,078.58
Percentage	85.40	78.20	90.04

4- RAW MATERIAL

a) Consumption of major raw material

	2021		2020		2019	
	Quantity M. tons	Value Rs.	Quantity M. tons	Value Rs.	Quantity M. tons	Value Rs.
Sugarcane	842,079	5,560,001,766	630,074	3,485,800,603	750,785	3,509,210,437
Raw Sugar	-	-	-	-	-	-
Transportation		57,931,174		159,549,749		84,984,603
Quality / variety premium		-		632,385		-
Total	842,079	5,617,932,940	630,074	3,645,982,737	750,785	3,594,195,040

There is no other raw material besides sugarcane and raw sugar. During the year only sugarcane was consumed.

Variance:

- Average sugarcane purchased at a price of Rs. 6,602.71 per M. ton was higher by Rs. 1,070.34 per M. ton as compared to the year 2020, and by Rs. 1,928.65 per M. ton as compared to the year 2019 mainly due to increase in inflation, demand and government support price. Government support price was increased by Rs. 10/- per 40 kg as compared to the year 2020 and by Rs. 20/- per 40 kg as compared to the year 2019.
- Due to better availability and cost effective sugarcane procurement, payment for transport subsidy decreased as compared to comparative years, which resulted in decrease in total cost of transportation by Rs. 184.43 per M. ton as compared to the year 2020 and by Rs. 44.40 per M. ton as compared to the year 2019.

b) Consumption of sugar cane / raw sugar per unit of production

	ACTUAL (KG)			STANDARD (KG)		
	2021	2020	2019	2021	2020	2019
Sugarcane (per kg of sugar)	10.37	10.64	10.07	N/A	N/A	N/A
Raw sugar (per kg of sugar)	N/A	N/A	N/A	N/A	N/A	N/A

c) Yield of sugarcane depends on the quality of sugarcane hence it is very difficult to determine standard consumption, however the above variation over the year in consumption is due to quality of sugarcane.

d) Comments on the method of recording of raw material

The method of recording of raw material was the same as last year i.e. Growers are issued a Permit / Pass Book in which each lot of purchase is entered and a Cane Procurement Receipt (CPR) is issued which is fed in the computer data in cane purchase account. All expenses relating to cane purchases i.e. transportation, loading / unloading, market committee fee, road cess, salaries and wages are allocated to raw material cost.

e) All raw material (sugarcane) was purchased from the domestic markets.

5- WAGES AND SALARIES

a) Categories of salaries and wages

	2021	2020	2019
	Rs.	Rs.	Rs.
Direct labor cost of production	224,999,688	202,645,942	191,928,796
Indirect labor cost of production	18,377,346	16,968,382	15,805,394
Employees' cost of administration	203,118,007	193,679,497	179,026,323
Employees' cost of selling and distribution	4,480,865	4,077,155	3,847,292
Total employee's cost	450,975,906	417,370,976	390,607,805
Bonus to workers and employees included in above total cost of employees.	99,137,907	80,570,470	79,452,313

b) Salaries and perquisites of chief executive and directors

2021	2020	2019
40,491,000	39,231,000	32,837,000

c) Total maximum man-days of direct labor available were 120 days for crushing but actually 118 days were worked during the year as compared to 102 days in year 2020 and 97 days in year 2019.

	2021	2020	2019
d) Average number of employees during the year	562	534	548

e) Direct labor cost

		2021	2020	2019
Direct labor cost	Rs.	224,999,688	202,645,942	191,928,796
Production (sugar)	M. ton	81,181	59,204	74,585
Average (M.ton)		2,771.58	3,422.84	2,573.29

- f) Increase in direct labor cost for the year was due to increase in normal annual increments, number of working days and production of sugar as compared to both comparative years. Cost per M. ton was decreased as compared to the year 2020 due to significant increase in production of sugar, however cost per M. ton was increased as compared to the year 2019 mainly due to increase in seasons days from 97 days to 118 days .

g) Comments on the incentive schemes

N/A

6- STORES AND SPARES

	2021	2020	2019
	Rs/kg	Rs/kg	Rs/kg
a) Stores and spares per unit of output of sugar	1.08	1.01	0.77

- b) The Company operates fully computerized stores ledgers that effectively record receipts, issues and balances, both in terms of quantities and values, on perpetual inventory system. Stores and spares are valued at lower of moving average cost or net realizable value except for transit items which are valued at cost accumulated to the balance sheet date.

- c) The percentage of slow moving inventory as on September 30, 2021 was Nil (2020: Nil) of the total inventory value.

7- DEPRECIATION

- a) Depreciation on operating fixed assets is charged to income by applying the reducing balance method.
- b) Depreciation is charged to each production department on the basis of actual plant and machinery installed/used in that department.
- c) Depreciation is charged to each production department on the basis of pooling of cost of each cost center, for the determination of cost of product.
- d) Depreciation is charged to cost of production on the basis of the fixed assets used in the production of different products. Currently only one product i.e. "sugar" is being produced hence the total amount of depreciation is charged to the cost of sugar produced.

8- OVERHEADS

a) Other factory overheads

	2021	2020	2019
	Rs.	Rs.	Rs.
Rent, Rate and Taxes.	1,141,355	1,330,321	1,284,988
Printing and Stationery	426,265	627,605	148,715
Postage and Telegram	-	-	-
Telephone Fax and Telex.	-	-	-
Travelling and Conveyance	145,067	266,928	137,222
Subscriptions, Books and Periodicals.	19,120	15,980	15,827
Entertainment	13,006	14,235	19,507
Vehicle Running Expenses.	2,250,841	2,615,590	2,865,477



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Security	256,120	307,394	112,907
Fire Fighting Other Expenses.	170,231	40,358	263,413
Other Expenses.			
- Freight and Cartage	255,229	186,468	297,023
- Bagasse Removal	7,751,148	4,441,091	5,193,633
- Press Mud Removal	-	-	-
- Clinker Removal	-	-	-
- Factory Supplies	560,909	493,311	436,776
- Cycle Stand Exp.	281,740	236,773	253,177
- Obsolete Stores and Spares	-	-	-
- Consultants & Advisors Remuneration	-	-	70,000
Total	13,271,031	10,576,054	11,098,665

Cost per M. ton of sugar produced:

163.47	178.64	148.81
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Variance:

As compared to both comparative years, there was a increase in factory overheads on an overall basis mainly due to increase in bagasse removal cost. Cost per M. ton was decreased as compared to the year 2020 due to significant increase in production of sugar, however cost per M. ton was increase as compared to the year 2019 due to increase in overall cost by Rs 2.17 million.

b) Administrative expenses

	2021 Rs.	2020 Rs.	2019 Rs.
Salaries, Wages and Benefits	203,118,007	193,679,497	179,026,323
Rent, Rate and Taxes.	1,101,022	574,556	4,177,806
Insurance	1,022,790	1,012,464	1,139,562
Water, Gas and Electricity	6,029,321	6,773,721	7,818,363
Printing and Stationery.	2,708,472	3,004,113	2,287,150
Postage and Telegram	1,894,270	1,902,930	2,138,596
Repair and Maintenance	3,936,287	4,292,776	3,719,371
Travelling and Conveyance	1,301,000	1,004,808	1,531,214
Subscriptions, Books and Periodicals	1,561,611	1,707,445	1,965,398
Entertainment	636,267	614,432	566,331
Legal and Professional Expenditure	9,771,397	4,301,699	4,735,938
Auditor's remuneration	2,281,250	2,281,000	2,268,671
Cost Audit fee	110,000	-	-
Vehicle Running Expenses.	8,614,828	8,276,195	8,356,774
Charity and Donation	570,000	1,273,400	488,000
Depreciation	6,114,693	6,347,730	4,025,635
Others.	4,492,955	4,384,492	3,984,986
Total	255,264,170	241,431,258	228,230,118

Cost per M. ton of sugar sold:

3,648.35	3,955.68	2,938.19
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Variance:

As compared to both comparative years, administrative expenses have increased in absolute terms due to:

- Increase in salaries, wages and benefits resulting from increase in routine annual increments etc.;
- Increase in legal and professional charges due to overall increase in litigations on sugar industries;
- Increase in vehicle running expenses; and



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Cost per M. ton of sugar sold decreased due to increase in quantity sold during the year as compared to the year 2020, however cost per M. ton of sugar sold increased due to decrease in quantity sold during the year as compared to the year 2019.

c) Selling and distribution expenses

	2021 Rs.	2020 Rs.	2019 Rs.
Salaries, Wages and Benefits	4,480,865	4,077,155	3,847,292
Travelling and Conveyance	209	-	1,050
Commission.	10,580,400	8,214,300	9,792,300
Stacking / Restacking	3,008,228	1,881,240	2,455,827
Loading / Unloading.	2,418,589	1,840,626	2,507,323
Advertising for Sales Promotion	-	-	-
Sugar export expenses	-	-	-
Insurance	3,486,798	1,627,847	2,338,679
Total	23,975,089	17,641,168	20,942,471
Cost per M. ton of sugar sold:	342.66	289.04	269.61

Variance:

As compared to both comparative years, the increase in the above expenses due to:

- Increase in salaries, wages and benefits resulting from increase in routine annual increments etc.;
- Increase in stacking and restacking mainly due to increase in the average labor cost per M. ton;
- Increase in insurance due to increase in the stocks of sugar; and

therefore cost per M. ton was increased as compared to both comparative years due to above mentioned reasons.

	2021 Rs.	2020 Rs.	2019 Rs.
d) Financial charges (finance cost)	264,411,466	138,787,626	129,610,016

Variance:

Increase in financial charges was mainly due to increase in borrowings and mark-up paid thereon as compared to both comparative years. Borrowings increased by Rs. 617 million during the year as compared to the year 2020 and increased by Rs. 597 million during the year as compared to the year 2019.

e) Basis of allocation of overheads

All overheads has been fully charged to white bagged sugar.

	2021 Rs.	2020 Rs.	2019 Rs.
f) Cost of packing	47,455,611	32,063,852	39,228,940

Variance:

Increase in cost of packing was mainly due to increase in prices of packing material and production of sugar as compared to both comparative years.



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9- ROYALTY / TECHNICAL AID PAYMENTS

Not applicable.

10- ABNORMAL NON-RECURRING FEATURES

Not applicable.

11- COST OF PRODUCTION

	2021	2020	2019
Total cost of production (Rs.)	5,206,386,392	3,585,620,155	3,673,082,625
Total sugar produced (kgs)	81,181,000	59,204,000	74,585,000
Per unit cost of production	64.13	60.56	49.25

Variance:

The increase in per unit cost of production of sugar as compared to both comparative years was mainly due to increase in cost of sugarcane.

12- SALE

	2021	2020	2019
Value (excluding all taxes) Rs.	5,331,256,203	4,025,787,189	4,198,385,575
Quantity (kgs)	69,967,000	61,034,000	77,677,000
Average Rs/per kg	76.20	65.96	54.05

No export sales were made during the stated periods.

Variance:

Average sale price per kg (net of taxes) during the year was increased by Rs. 10.24 as compared to the year 2020 and by Rs. 22.15 as compared to the year 2019.

13- PROFITABILITY

	2021	2020	2019
Operating profit (per kg of sugar)	7.83	2.30	2.48

As compared to both comparative years, profit per kg of sugar sold was increased due to effective control over expenditures by the management, increase in quantity and rate of sugar sold during the year.

14- RELATED PARTY TRANSACTIONS

Related Party		Nature of Transaction	2021		2020		2019	
Name	Addresses		Quantity	Rate	Amount (Rs)	Quantity	Rate	Amount (Rs)
Association on basis of Common directorship								
Shahjaj Textile Limited Shahawaz (Private) Limited	19- Dockyard Road, West Wharf, Karachi.	Dividend received	-	-	4,600,000	-	-	11,500,000
	100- B/3, Gulberg III, M.M. Alam Road, Lahore.	Purchases and services received	-	-	1,468,000	-	-	2,043,000
		Utilities paid	-	-	174,000	-	-	201,000
		Loan received	-	-	300,000,000	-	-	-
		Loan repaid	-	-	(300,000,000)	-	-	(100,000,000)
Shezan International Limited Information System Associates Limited	56- Bund Road, Lahore.	Interest charged	-	8.25% p.a	4,684,000	-	8.25% p.a	4,470,000
	6th Floor, ILACO House, Abdullah Haroon Road, Karachi.	Sale of sugar	2,820 (M. ton)	92,413.12	260,605,000	9,050 (M. ton)	75,031.60	679,036,000
		Services received	-	-	227,000	-	-	373,000
Shezan Services (Private) Limited	19- Dockyard Road, West Wharf, Karachi.	Loan received	-	-	-	-	-	20,000,000
		Interest charged	-	8.25% p.a	9,075,000	-	8.25% p.a	7,726,000
State Life Insurance Corporation of Pakistan	State life building, Group & Pension Division, 15-A, Sir Agha Khan Road.	Premium paid	-	-	2,022,000	-	-	2,000,000
		Contributions paid	-	-	5,151,000	-	-	5,216,000
Staff Provident Fund Trust	Shahjaj sugar mills Limited Mandi Bahaudin.		-	-	-	-	-	-
Directors Mr. Mahmood Nawaz (Late) Mr. Muneeb Nawaz	19- Dockyard Road, West Wharf, Karachi.	Loan received	-	-	-	-	-	-
	72/C-1, Gulberg III, M.M. Alam Road, Lahore.	Loan received	-	-	-	-	-	30,000,000
Mr. M. Naeem Mr. Rashed Amjad Khalid	19- Dockyard Road, West Wharf, Karachi.	Loan received	-	-	-	-	-	-
	72/C-1, Gulberg III, M.M. Alam Road, Lahore.	Loan received	-	-	-	-	-	-

All transactions with the related parties and associated undertakings are entered into at arm's length, determined in accordance with comparable uncontrolled price method except for transactions with M/s Shahawaz (Private) Limited, where an additional discount of 40% is received on service charges and 15% on spare parts, in connection with the repairs of motor vehicles, as per group policy.

15- DISTRIBUTION OF EARNINGS

	2021	2020	2019
	Rs.	Rs.	Rs.
Salaries, wages and benefits	450,975,906	417,370,976	390,607,805
Dividends	NIL	NIL	NIL
Profit after tax	204,827,000	NIL	33,243,000
Government taxes	109,429,000	70,950,000	54,746,000

16- ADJUSTMENT OF COST VARIANCES

N/A

17- COST AUDITORS' OBSERVATIONS AND CONCLUSIONS

a) Matters that appear to be incorrect in principle or are apparently unjustifiable.

Nil

b) Cases where the company's 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.

Budgetary control system on a long term basis is not operative in the sugar industry because of a short span of its production activity. However, cash budgets for short periods i.e. fortnightly, monthly, quarterly etc. are prepared for working capital requirements (i.e. procurement of sugarcane etc.)

ii) The scope and performance of internal audit, if any

The Board of Directors has setup an effective internal audit function with suitably qualified and experienced staff conversant with the policies and procedures of the company.

d) Suggestions for improvements in performance.

i) Rectification of general imbalance in production facilities

Nil

ii) Fuller utilization of installed capacity

The installed capacity is not being fully utilized due to limited supply of sugarcane during the crushing season.

iii) Comments on areas offering scope for:

I. Cost reduction

Nil

II. Increase in productivity

Nil

III. Key limiting factors causing production bottlenecks

Shortage of crop and limited supply of sugarcane during the season.

IV. Energy conservancy

Nil



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iv) State of technology, whether modern or obsolete

The plant is based on modern and efficient technology.

v) Plant whether new or secondhand when installed

The plant when installed was new and has been subject to BMR from time to time.

18- RECONCILIATION WITH FINANCIAL STATEMENTS

SR. NO	PARTICULARS	2021	2020
1	Profit as per cost accounting records	283,298,534	1,540,396
2	Add: incomes not considered in cost accounts (income from associates)	30,957,000	10,958,246
3	Less: expenses not considered in cost accounts	-	-
4	Add: overvaluation of closing stock in financial accounts	-	-
5	Add: undervaluation of opening stock in financial account	-	-
6	Less: overvaluation of opening stocks in financial accounts	-	-
7	Less: undervaluation of closing stocks in financial accounts	-	-
8	Adjustment for other, if any (specify)	-	-
9	Profit before taxation as per financial account	314,255,534	12,498,642



GENERAL INFORMATION

A- COMPANY INFORMATION

1- NAME OF THE COMPANY	SHAHTAJ SUGAR MILLS LIMITED
2- DATE OF INCORPORATION	March 27, 1965
3- LOCATION OF HEAD OFFICE	72/C-1 M M ALAM ROAD, GULBERG III LAHORE - 54660.
4- LOCATION OF REGISTERED OFFICE	19, DOCKYARD ROAD, WEST WHARF, KARACHI-II-74000
5- LOCATION OF FACTORY	MANDI BAHAUDDIN
6- PRODUCTS OTHER THAN SUGAR BEING MANUFACTURED	BY PRODUCTS - MOLASSES - BAGASSE - PRESS MUD
7- INSTALLED CANE CRUSHING CAPACITY	1,440,000 M. TONS (BASED ON 120 DAYS)



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B- PRODUCTION DATA (As per R.T. 4)

S. NO	PARTICULARS	2021	2020
1(a)	CANE CRUSHED		
	Date of start	15-11-2020	30-11-2019
	Date of finish	12-03-2021	10-03-2020
	Duration of run days	118	102
	Total number of hours in duration	2,810	2,423.50
	Total number of hours of actual crushing	2,399.67	1,895.25
	Total number of hours lost	410.33	528.25
	Total cane milled M. ton	842,079.368	630,074.294
	Converted Maunds	21,051,984.20	15,751,857.35
	Total mixed juice obtained M. ton	912,766	668,654
(b)	GUR MELTED	NIL	NIL
2	JUICE & ADDED WATER		
	Average mixed juice (% of cane)	108.39	106.12
	Average added water (% of cane)	37.94	35.12
3	SUGAR MADE		
	Total sugar bagged of all grade (100kg)	-	-
	Total sugar bagged of all grade (50kg)	1,623,620	1,184,080
	Sugar in process (M. ton)	143.361	147.575
4	MOLASSES EXTRACTED		
	Total molasses sent out (M. ton)	36,592.924	27,353.902
	Molasses in process M. ton	14.664	14.424
5	RECOVERY PERCENTAGE		
	Laboratory test percentage recovery of sugar cane		
	Average recovery of marketable sugar (% of cane)	9.64	9.41
	Average production of final molasses (% of cane)	4.35	4.34
6	BY-PRODUCTS		
	Bagasse (% of cane) M.ton	29.54	29.00
	V.F Cakes (% of cane) M. ton	3.00	3.00
7	CLARIFICATION PROCESS		
		DRP	DRP
		Defecation remelt phosphitation	Defecation remelt phosphitation



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SHAHTAJ SUGAR MILLS LIMITED
STATEMENT OF CAPACITY UTILIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>PRODUCTION UNITS</u>		<u>INSTALLED CAPACITY</u>	<u>UTILIZED CAPACITY</u>
SUGARCANE CRUSHING	M. Ton	1,440,000 (Based on 120 days)	842,079 (118 days)
		<u>AVAILABLE HOURS</u>	<u>UTILIZED HOURS</u>
MACHINE HOURS		2,810	2,400

Variance

The main reason for the difference between the installed capacity / available hours and the utilized capacity / utilized hours is the shortage of crop and limited supply of sugarcane during the season.

Munir Nawaz

CHIEF EXECUTIVE

Raza Ali

CHIEF FINANCIAL OFFICER



SHAHTAJ SUGAR MILLS LIMITED
STATEMENT OF STOCK IN TRADE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	DESCRIPTION	QTY / M. ton	RUPEES
i)	Raw material		
	Sugarcane	-	-
ii)	Work in process		
	Sugar	1,436.361	9,050,146
	Molasses	14.664	299,275
			<u>9,349,421</u>
iii)	Finished goods		
	Sugar	14,302.000	911,191,551
	Molasses	-	-
	Bagasse	9,447.612	37,027,931
			<u>948,219,482</u>
iv)	Other stocks		
	Fair price shop		455,643
	Insecticide		114,236
			<u>569,879</u>

Munir Nawaz

CHIEF EXECUTIVE

Raza Ali
 CHIEF FINANCIAL OFFICER



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SHAHTAJ SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF PRODUCTION AND SALE OF
WHITE BAGGED SUGAR FOR THE YEAR ENDED SEPTEMBER 30, 2021
Annexure - 1

Quantitative Data - Bagged Sugar		2021	2020
Opening Stock	(M.Tons)	3,088.00	4,918.00
Production	(M.Tons)	81,181.00	59,204.00
Available for sale	(M.Tons)	84,269.00	64,122.00
Closing Stock	(M.Tons)	14,302.00	3,088.00
Sales	(M.Tons)	<u>69,967.000</u>	<u>61,034.000</u>

Sr.No.	Particulars	Current Year		Previous Year	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
(1)	(2)	(3)	(4)	(5)	(6)

1	Raw Materials				
a	Sugar Cane (Annex 3)	5,721,080,539	70,473.15	3,728,680,029	62,980.20
b	Beet (Annex.4)	-	-	-	-
c	Gur	-	-	-	-
d	Raw Sugar	-	-	-	-
e	Process Material (Annex.5)	58,920,883	725.80	43,458,587	734.05
2	Salaries/Wages and benefits (Annex.6)	166,194,658	2,047.21	150,177,664	2,536.61
3	Consumable Stores	76,158,038	938.13	52,662,379	889.51
4	Repairs and maintenance	16,955,811	208.86	6,784,109	114.59
	UTILITIES				
5	Steam (Annex.7)	26,880,654	331.12	21,104,061	356.46
6	Electric Power (Annex 8)	61,718,336	760.26	54,380,124	918.52
7	Water and Gas	-	-	-	-
8	Insurance	3,465,311	42.69	3,355,082	56.67
9	Depreciation	8,328,419	102.59	9,141,612	154.41
10	Other Factory Overheads (Annex.9)	13,271,031	163.47	10,576,054	178.64
11	Total Cost.	6,152,973,679	75,793.27	4,080,319,701	68,919.66
12	Add: Opening Stock of W.I.P	8,908,642	-	4,258,033	-
13	Less: Closing Stock of W.I.P	9,349,421	-	8,908,642	-
14	Total Cost of goods Manufacturing	6,152,532,900	75,787.84	4,075,669,092	68,841.11
15	Less: Realizable value of By-Products:				
	Molasses.	789,820,621	9,729.13	408,209,225	6,894.96
	Bagasse.	189,676,672	2,336.47	96,182,728	1,624.60
	Others (Mud)	14,104,826	173.75	17,720,836	299.32
16	Net Cost of goods Manufacturing	5,158,930,781	63,548.50	3,553,556,303	60,022.23
17	Add: Packing Material and Handling	47,455,611	584.57	32,063,852	541.58
18	Net cost of Bagged Sugar	5,206,386,392	64,133.07	3,585,620,155	60,563.81
19	Add: Excise Duty / sales tax.				
20	Total Cost of Bagged Sugar	5,206,386,392	64,133.07	3,585,620,155	60,563.81
21	Add: Opening Stock of Sugar	249,059,199		288,942,324	
22	Less: Closing Stock of Sugar	948,219,482		249,059,199	
23	Cost of Sales.	4,507,226,109	64,419.31	3,625,503,280	59,401.37
24	Administrative Expenses (Annex 10)	255,154,160	3,646.78	241,431,258	3,955.68
25	Selling and Distribution Expenses (Annex 11)	23,975,089	342.66	17,641,168	289.04
26	Financial Expenses	264,411,466	3,779.09	138,787,626	2,273.94
27	Other Charges	24,209,803	346.02	7,056,350	115.61
28	Other income	(27,018,959)	(386.17)	(6,172,889)	(101.14)
	TOTAL COST TO MAKE AND SELL	5,047,957,669	72,147.69	4,024,246,793	65,934.51

Variance:

The increase in cost to make and sell per ton of sugar as compared to year 2020 is mainly due to increase in cost of sugarcane. Specific analysis of cost variance on individual basis is enclosed herewith as (Annexure - 1A)

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Muhammad Ali Akhtar



SHAHTAJ SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF PRODUCTION AND SALE OF
WHITE BAGGED SUGAR FOR THE YEAR ENDED SEPTEMBER 30, 2021
Annexure - 1(A)

ANALYSIS OF MAJOR ITEM WISE VARIANCES

Component wise variances are explained with reference to their respective notes as follows:

Particulars	Current Year	Previous Year	Variance	Reference
	Cost per ton of sugar	Cost per ton of sugar	Cost (Increase)/ Decrease	
Raw Materials:				
(a) Sugar Cane (Annex 3)	70,473.15	62,980.20	(7,492.95)	N-1
(b) Beet (Annex 4)	-	-		
(c.) Gur	-	-		
(d) Raw Sugar	-	-		
(e) Process Material (Annex 5)	725.80	734.05	8.25	N-2
Salaries/Wages & benefits (Annex 6)	2,047.21	2,536.61	489.40	N-3
Consumable Stores	938.13	889.51	(48.62)	N-4
Repairs and Maintenance	208.86	114.59	(94.27)	N-5
Utilities:				
Steam (Annex 7)	331.12	356.46	25.34	N-6
Electric Power (Annex 8)	760.26	918.52	158.26	N-7
Water Gas	-	-	-	N/A
Insurance	42.69	56.67	13.98	N-8
Depreciation	102.59	154.41	51.82	N-9
Other Factory Overheads (Annex 9)	163.47	178.64	15.17	N-10
Realizable value of by-products				
Molasses	9,729.13	6,894.96	(2,834.17)	N-11
Bagasse	2,336.47	1,624.60	(711.87)	N-11
Packing Material & Handling	584.57	541.58	(42.99)	N-12
Administrative Expenses (Annex 10)	3,646.78	3,955.68	308.90	N-13
Selling & Distribution Expenses (Annex 11)	342.66	289.04	(53.62)	N-14
Financial Expenses	3,779.09	2,273.94	(1,505.15)	N-15
Other Charges	346.02	115.61	(230.41)	N-16

N-1 Increase in cost per M. Ton of sugarcane is due to increase in cost of sugarcane.

N-2 Decrease in cost of process material consumed per M. ton is due to increase in quantity of sugar produced during the year as compared to the last year.

N-3 Cost per M. Ton of sugar of salaries, wages and benefits has decreased mainly due to increase in quantity produced as compared to last year and effective control by the management thereon.

N-4 Increase in cost per M.Ton of sugar for consumable stores as compared to the previous year is mainly due to increase in production and total hours of actual crushing during the year.

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- N-5 Increase in repair and maintenance per M. Ton of sugar is due to overall increase in production and total hours of actual crushing during the year.
- N-6 Steam cost per M.Ton of sugar has decreased mainly due to increase in production during the year as compared to last year.
- N-7 Cost per unit of electricity consumed has decreased due to increase in sugar produced during the year as compared to the previous year.
- N-8 Decrease in insurance cost per M.Ton of sugar is due to increase in production as compared to last year.
- N-9 Decrease in depreciation cost per M.Ton of sugar is due to overall increase in production during the year.
- N-10 Decrease in the factory overheads per M.Ton of sugar is due to increase in production of sugar as compared to the previous year.
- N-11 Increase in realizable values of molasses and bagasse is due to increase in demand during the year as compared to last year.
- N-12 Increase in cost per M.Ton of sugar for packing material and handling cost primarily due to increase in prices of packing material.
- N-13 Decrease in administrative expenses per M.Ton of sugar basically relates to increase in quantity sold as compared to the previous year.
- N-14 Decrease in per M.Ton of selling and distribution expenses basically relates to increase in quantity sold as compared to the previous year.
- N-15 Financial charges (finance cost) have increased during the year as compared to last year due to increase in short term borrowings and markup paid on short term borrowings.
- N-16 The increase in cost per M.Ton of sugar is because of the increased expense for Workers' Welfare Fund and Workers' Profit Participation Fund which are directly linked with the increased profits of the current year as compared to the last year.

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SHAHTAJ SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF SUGARCANE PRODUCED
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Annexure - 2

Sr.No.	Particulars	Current Year		Previous Year	
		Quantity	Amount Rs.	Quantity	Amount Rs.
(1)	(2)	(3)	(4)	(5)	(6)
1	<u>Seeds and Other Inputs:</u> Seed and other inputs Fertilizers, herbicides etc. Insecticides. Abianan/Water Charges. Total Cost of Inputs.	NOT APPLICABLE			
2	<u>Labor Cost:</u> Land preparation Plantation. Maintenance of cane crop/rations Operation of Tractors. Harvesting Total Labor Cost.				
3	<u>Other Cost:</u> Fuel for Tractors operation Maintenance and over haul of Tractors. Insurance. Interest expenses. Depreciation of equipments Rent of agriculture equipments (if any) Total Other Costs.				
	Total cost of own production (1+2+3)				
	Sales value at controlled price				
	Profit/Loss on own production.				

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SHAHTAJ SUGAR MILLS LIMITED							
STATEMENT SHOWING COST OF SUGARCANE CRUSHED FOR THE YEAR ENDED SEPTEMBER 30, 2021							
Annexure - 3							
Sr. No.	Particulars	Current Year			Previous Year		
		Quantity M.Tons	Rate Rs/M.Ton	Amount Rs.	Quantity M.Tons	Rate Rs/M.Ton	Amount Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Total sugarcane purchased at Government fixed rate	842,083.35			630,105.70		
	Sugarcane produced from own farms (Annex.2)	-			-		
	Less: Loss in transit.	3.975			31.407		
	Sugarcane received at factory gate.	842,079.37	6,602.71	5,560,001,766	630,074.3	5,532.36	3,485,800,603
2	Commission			490,103			418,869
3	Quality premium / price subsidy			-			632,385
4	Loading / unloading charges			1,544,358			1,810,229
5	Cane development expenses:						
a	Salaries and Wages of Supply and Development Staff. (Annex.6)			47,068,107			39,110,347
b	Sugarcane Development			6,783,168			-
c	Supply staff transportation expenses.			2,975,918			3,190,171
d	Other expenditure.						
6	Taxes and Levies:						
a	Cane cess / purchase tax						
b	Market committee fee	842,079.37	5.00	4,210,417	630,074.29	5.00	3,148,784
c	Road cess.	842,079.37	37.50	31,578,126	630,074.29	37.50	23,628,963
d	Octroi - Toll Tax						
e	Other Levies						
7	Transportation Charges:						
a	Delivery expenses. - TPT at purchasing center			5,514,477			5,380,180
b	Transport subsidy			48,032,056			150,482,345
c	Others - M. V. Keep up expenses.			4,384,641			3,687,224
8	Other Expenditures at Cane Collection Centers:			375,083			163,419
a	Salaries and Wages (Annex-6)			8,096,219			11,197,446
b	Stores			-			2,734
c	Repairs and Maintenance.			26,100			26,330
d	Others.						
TOTAL COST OF "SUGARCANE" TRANSFERRED TO PRODUCTION PROCESS				5,721,080,539			3,728,680,029

Basis of allocation:

Cost of sugarcane crushed is fully charged to production process.

Variance:

Increase in cost per M.Ton is mainly due to the increase in cost of sugarcane procured as the government also increased the support price from Rs. 190/- per 40 Kg to Rs. 200/- per 40 Kg.

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SHAHTAJ SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF BEET CRUSHED FOR THE YEAR ENDED SEPTEMBER 30, 2021
Annexure - 4

Sr.No.	Particulars	Current Year			Previous Year		
		Quantity M.Tons	Rate Rs/M.Ton	Amount Rs.	Quantity M.Tons	Rate Rs/M.Ton	Amount Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Total beet purchased at Government fixed rate Less: Loss in transit. Beet received at factory gate.						
2	Commission paid						
3	Loading unloading						
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 expenditure.						
6	Taxes and Levies: (if any)						
	a Purchase tax						
	b Market committee fee						
	c Road cess.						
	d Octroi						
	e Other Levies						
7	Transportation Charges:						
	a Delivery expenses / traveling from purchases center to mill gate						
	b Transport subsidy						
	c Others.						
8	Other Expenditures at Beet Collection Centers:						
	a Salaries and Wages						
	b Stores						
	c Repairs and Maintenance.						
	d Others.						
TOTAL COST OF "BEET" TRANSFERRED TO PRODUCTION PROCESS (ANNEX.1)							

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SHAHTAJ SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF PROCESS MATERIAL CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Annexure 5

Sr.No.	Particulars	Current year		Previous Year	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
(1)	(2)	(3)	(4)	(5)	(6)
	Total Sugar Produced (M.Tons)		81,181.00		59,204.00
1	Bleaching Powder.	167,821	2.07	129,062	2.18
2	Common Salt	-	-	-	-
3	Lime Quick	6,950,115	85.61	4,975,560	84.04
4	Chemfloat A - 100	1,043,835	12.86	621,935	10.50
5	Acid Phosphoric Food Grade 85%	10,122,039	124.68	6,546,627	110.58
6	Chemrites (Anti - Scalants)	20,425	0.25	-	-
7	Pure Flocc (Arquad)	-	-	-	-
8	Chemflocs	2,224,428	27.40	1,330,456	22.47
9	Colour Quest - 55	21,553,818	265.50	17,853,793	301.56
10	Anti Foaming	-	-	-	-
11	Laboratory Chemicals / Apparatus	836,062	10.30	587,975	9.93
12	Cleaning Chemicals & Equipments	5,714,327	70.39	5,081,161	85.82
13	Miscellaneous Process Chemicals	76,145	0.94	-	-
14	Lubricant and Grease	10,211,868	125.79	6,332,018	106.95
15	Other (Specify).	-	-	-	-
	Total	58,920,883	725.80	43,458,587	734.05
	Less allocated to				
	(a) Electricity generation	-		-	
	(b) Steam Generation (Annex-7)	-		-	
	(c) Raw Material	-		-	
	(d) Admin Expenses.	-		-	
	(e) Selling and Distribution Expenditure	-		-	
	(f) Any Other (Specify)	-		-	
	Balance transferred to production process	58,920,883	725.80	43,458,587	734.05

Basis of allocation:

Total cost of process material is allocated to relevant cost centers on actual basis.

Variance

Nominal decrease in overall cost as compared to last year is due to increase in the quantity produced during the year.

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SHAHTAJ SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF SALARIES, WAGES AND BENEFITS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Annexure 6

Sr.No.	Particulars	Current Year		Previous Year	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
(1)	(2)	(3)	(4)	(5)	(6)
	Total Sugar Produced (M.Tons)		81,181.00		59,204.00
	COST:				
1	Salaries / Wages:				
	i Officers and Permanent Staff	197,535,819	2,433.28	189,694,912	3,204.09
	ii Seasonal Staff	14,426,942	177.71	12,720,133	214.85
	iii Daily rated and Contract Labor	87,157,088	1,073.61	83,445,020	1,409.45
	iv Bonuses.	99,137,907	1,221.20	80,570,470	1,360.90
2	Benefits				
	i Medical Expenses	9,555,939	117.71	9,343,245	157.81
	ii Canteen Expenses.	1,284,316	15.82	1,176,655	19.87
	iii Welfare, Recreation	1,092,588	13.46	574,641	9.71
	iv Transport and Travelling	-	-	-	-
	v Education Cess Expenses.	66,075	0.81	65,875	1.11
	vi Group Insurance/Workmen	4,054,439	49.94	3,719,793	62.83
	vii Comp. Insurance	-	-	-	-
	viii Prov.Fund (Employer's contribution).	5,151,194	63.45	5,216,393	88.11
	ix Gratuity / Pension	528,400	6.51	21,750	0.37
	x Other Benefits (if any)				
	- Leave Encashment	620,951	7.65	1,377,354	23.26
	- Comp. Leave Encashment	1,345,872	16.58	1,262,877	21.33
	- Overtime	1,897,141	23.37	1,052,558	17.78
	- Social Security Contribution	8,534,788	105.13	8,068,607	136.28
	- EOBI Contribution	3,157,240	38.89	3,100,821	52.38
	- Education Cess	-	-	-	-
	- Uniform Expenses	3,160,523	38.93	2,879,332	48.63
	- Washing Exp. Of Uniforms	902,078	11.11	885,233	14.95
	- SSM Model School Exp.	5,986,157	73.74	7,376,874	124.60
	- Scholarship to Employees' Children	61,600	0.76	56,800	0.96
	- Zachgi Allowance	-	-	-	-
	- Employees Daughter Marriage Exp.	73,100	0.90	37,500	0.63
	- Employees Hajj Exp.	-	-	-	-
	- Fair Price Shop Exp.	5,214,009	64.23	4,707,050	79.51
	- Apprenticeship Training Exp.	31,740	0.39	17,083	0.29
	Total	450,975,906	5,555.19	417,370,976	7,049.71
	Less allocated to :				
	(a) Electricity generation (Annex-8)	2,094,962	25.81	1,462,691	24.71
	(b) Steam Generation (Annex-7)	19,923,088	245.42	17,666,176	298.39
	(c) Raw Material (Annex-3)	55,164,326	679.52	50,307,793	849.74
	(d) Admin Expenses. (Annex-10)	203,118,007	2,502.04	193,679,497	3,271.39
	(e) Selling and Distribution (Annex-11)	4,480,865	55.20	4,077,155	68.87
	(f) Any Other Specify	-	-	-	-
		284,781,248	3,507.98	267,193,312	4,513.10
	Balance transferred to production process	166,194,658	2,047.21	150,177,664	2,536.61

Basis of allocation:

The cost has been allocated on the basis of actual labor cost incurred in each cost center.

Variance:

Cost per M.Ton of sugar of salaries, wages and benefits has decreased due to increase in quantity produced in the current year.

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SHAHTAJ SUGAR MILLS LIMITED
STATEMENT SHOWING COST OF STEAM/GENERATED CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Annexure - 7

Sr.No.	Particulars	UNIT	CURRENT YEAR 2021	Previous Year 2020	Variance
(1)	(2)	(3)	(4)	(5)	(6)
	Type of steam boilers used		Water tube	Water tube	
	Number of boiler installed	Nos.	5	5	-
1	No. of days worked	Days	118	102	16
2 - a	Installed Capacity	M. Tons/Day	12,000	12,000	-
2 - b	Installed Capacity for season	M. Tons	1,416,000	1,224,000	192,000
3	Utilized capacity	M. Tons	842,079	630,074	212,005
4	Production				-
	(a) High pressure steam	M. Tons	239,566	191,834	47,732
	(b) Medium pressure steam	M. Tons	174,483	123,959	50,524
	(c) Low pressure steam	M. Tons	-	-	-
	(d) Less: transit losses	M. Tons	12,421	9,474	2,947
	(e) Total	M. Tons	426,470	325,267	101,203
5	Percentage of capacity utilization (3/2*100)	%	59.47%	51.48%	7.99%

Sr.No.	Particulars	Current Year			Previous Year		
		Quantity	Rate Per Unit	Amount Rs.	Quantity	Rate Per Unit Rs.	Amount Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Water (M.ton)	436,663			333,041		
2	Fuels						
	(a) Bagasse (M.ton)						
	(i) Own	248,750			182,721		
	(ii) Purchased	-			-		
	(b) Pith	3,731			2741		
	(c) Coal purchased						
	(d) Furnace Oil (LTR)	6,500		439,990	-		-
	(e) Fire Wood (M. ton))	24.81		322,530	30.96		387,000
	(f) Gas						-
	(g) Other fuels if any (to be specified) Rice						-
3	Quantity of waste heat from the plant, if any						-
4	Consumable stores.			9,839,758			5,079,781
5	Direct salaries, Wages and benefits			19,923,088			17,666,176
6	Repairs and Maintenance			4,654,036			415,759
7	Other direct expenses (e.g. Boiler inspection fee						-
8	Insurance			2,087,487			2,133,696
9	Depreciation			13,451,326			14,136,571
	Total Cost of Steam Raised			50,718,215			39,818,983
10	Less: Outside sale			-			-
11	Total Cost of Steam for Self Consumption			50,718,215			39,818,983
12	Add: Cost of Steam purchased						
	Total Cost of Steam Consumed			50,718,215			39,818,983
	ALLOCATION						
	Total of item 12 allocated to						
	(i) White bagged sugar (Annex-1)	226,029.10		26,880,654	172,392		21,104,061
	(ii) Electric Power house (Annex-8)	200,441		23,837,561	152,875		18,714,922
	(iii) Others						
	(a) Staff colony						
	(b) Office building etc.						
		426,470		50,718,215	325,267		39,818,983

Basis of allocation:

The 53% cost has been allocated to sugar boiling house remaining 47% has been allocated to power house (on requirement basis).

Variance:

The total cost of steam consumed increased by 27.37% as compared to last year due to increase in quantity of sugar produced during the year.

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SHAHTAJ SUGAR MILLS LIMITED
STATEMENT OF COST OF ELECTRIC POWER PURCHASED/GENERATED AND CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Annexure - 8

	Current Year	Previous year	Variance
1-a Installed Capacity (KWH)	11,000	11,000	-
1-b Working days	118	102	16
1-c Installed Capacity for season (KWH)	31,152,000	26,928,000	4,224,000
2 No. of units generated (KWH)	19,712,515	14,660,594	5,051,921
3 No. of units purchased (KWH)	1,338,620	1,505,970	(167,350)
4 Total (2+3)	21,051,135	16,166,564	4,884,571
5 Consumption in Power House including other losses	4,695,706	3,813,195	882,511
6 Net units consumed (4-5)	16,355,429	12,353,369	4,002,060
7 Percentage of Consumption and losses to total units	22.31%	23.59%	-1.28%
8 Percentage of power generated to installed capacity 2/1*100	63.28%	54.44%	8.83%

Sr.No.	Particulars	Current Year			Previous Year		
		Quantity KWH	Rate Rs/KWH	Amount Rs.	Quantity KWH	Rate Rs/KWH	Amount Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Steam (Annex-7)			23,837,561			18,714,922
2	Consumable Stores.			1,450,224			1,752,944
3	Diesel - For Diesel generator SSM Mandi			7,497,687			5,682,901
4	Salaries and Wages (Annex-6)			2,094,962			1,462,691
5	Other direct expenses						
6	Repairs and Maintenance.			1,842,855			263,300
7	Duty on electricity KWH	19,712,515			14,660,594		-
8	Depreciation			642,352			676,160
9	Total			37,365,641			28,552,918
10	* Less (a) Credit for exhaust steam used in process etc.			-			-
11	(b) Other credits, if any			-			-
12	Cost of power generated			37,365,641			28,552,918
13	Less: Cost of Power sold.						
14	Add: Cost of Power purchased KWH	1,338,620		27,097,927	1,505,970		29,228,306
15	Total net cost of power consumed	21,051,135		64,463,568	16,166,564		57,781,224
16	Cost per unit average.						
17	Total at item 12 allocated to						
18	(i) White bagged sugar (Annexure - 1) KWH	15,658,920		61,718,336	11,626,229		54,380,124
19	(ii) Self - consumption						
20	(iii) Others.						
21	(a) Staff colony - Admin. KWH	696,509		2,745,233	727,140		3,401,100
22	(b) Office building						
23	(c) Other (specify)						
24	TOTAL	16,355,429		64,463,568	12,353,369		57,781,224

Basis of allocation:

The cost has been allocated on the basis of actual consumption.

Variance:

The total cost of electric power purchased / generated / consumed increased by 11.56% as compared to last year is primarily due to increase in cost of electricity purchased from WAPDA.

Munir Nawaz

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SHAHTAJ SUGAR MILLS LIMITED					
STATEMENT SHOWING OTHER FACTORY OVERHEADS					
FOR THE YEAR ENDED SEPTEMBER 30, 2021					
Annexure 9					
Sr.No	Particulars	Current Year		Previous Year	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
(1)	(2)	(3)	(4)	(5)	(6)
	Total Sugar Produced (M.Tons)		81,181.00		59,204.00
1	Rent, Rate and Taxes.	1,141,355	14.06	1,330,321	22.47
2	Printing and Stationery	426,265	5.25	627,605	10.60
3	Postage and Telegram	-	-	-	-
4	Telephone Fax and Telex.	-	-	-	-
5	Travelling and Conveyance	145,067	1.79	266,928	4.51
6	Subscriptions, Books and Periodicals.	19,120	0.24	15,980	0.27
7	Entertainment	13,006	0.16	14,235	0.24
8	Vehicle Running Expenses.	2,250,841	27.73	2,615,590	44.18
9	Security.	256,120	3.15	307,394	5.19
10	Fire Fighting Other Expenses.	170,231	2.10	40,358	0.68
11	Other Expenses.				
	- Freight and Cartage	255,229	3.14	186,468	3.15
	- Bagasse Removal	7,751,148	95.48	4,441,091	75.01
	- Press Mud Removal	-	-	-	-
	- Clinker Removal	-	-	-	-
	- Factory Supplies	560,909	6.91	493,311	8.33
	- Cycle Stand Exp.	281,740	3.47	236,773	4.00
	- Obsolete Stores and Spares	-	-	-	-
	- Consultants & Advisors Remuneration	-	-	-	-
12	TOTAL	13,271,031	163.47	10,576,054	178.64
	Allocated to:				
	(a) White bagged sugar	13,271,031	163.47	10,576,054	178.64
	(b) Electric Power House				
	(c) Steam Generation				
	(d) Others:				
	i. Staff Colony				
	ii. Office building etc.				
	Total as per item 12 above	13,271,031	163.47	10,576,054	178.64

Basis of allocation:

Fully charged to white bagged sugar.

Variance:

Factory overheads have increased in absolute terms mainly due to bagasse removal cost during the year.

Decrease in cost per ton of sugar produced is due to increase in quantity produced during the year.

Humayun Nawaz

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SHAHTAJ SUGAR MILLS LIMITED					
STATEMENT SHOWING ADMINISTRATIVE EXPENSES					
FOR THE YEAR ENDED SEPTEMBER 30, 2021					
Annexure 10					
Sr. No.	Particulars	Current Year		Previous Year	
		Amount Rs.	Cost per ton of sugar	Amount Rs.	Cost per ton of sugar
(1)	(2)	(3)	(4)	(5)	(6)
1	Total Sugar Sold (M.Tons)		69,967.00		61,034.00
2	COST				
	Salaries, Wages and Benefits (Annex 6)	203,118,007	2,903.05	193,679,497	3,173.30
	Rent, Rate and Taxes.	1,101,022	15.74	574,556	9.41
	Insurance	1,022,790	14.62	1,012,464	16.59
	Water, Gas and Electricity	6,029,321	86.17	6,773,721	110.98
	Printing and Stationery.	2,708,472	38.71	3,004,113	49.22
	Postage and Telegram	1,894,270	27.07	1,902,930	31.18
	Repair and Maintenance	3,936,287	56.26	4,292,776	70.33
	Travelling and Conveyance	1,301,000	18.59	1,004,808	16.46
	Subscriptions, Books and Periodicals	1,561,611	22.32	1,707,445	27.98
	Entertainment	636,267	9.09	614,432	10.07
	Legal and Professional Expenditure	9,771,397	139.66	4,301,699	70.48
	Auditor's remuneration	2,281,250	32.60	2,281,000	37.37
	Cost Audit fee	110,000	1.57	-	-
	Vehicle Running Expenses.	8,614,828	123.13	8,276,195	135.60
	Charity and Donation	570,000	8.15	1,273,400	20.86
	Depreciation	6,114,693	87.39	6,347,730	104.00
	Others.	-	-	-	-
	- Cash Loss	-	-	-	-
	- Mess Expenses	1,534,435	21.93	1,328,041	21.76
	- Office Staff Refreshment	1,568,327	22.42	1,418,470	23.24
	- Mosque Exp.	150,193.00	2.15	117,981	1.93
	- Director Fee	1,240,000	17.72	1,520,000	24.90
	TOTAL	255,264,170	3,648.35	241,431,258	3,955.68

Basis of allocation

Fully charged to white bagged sugar.

Variance:

Administrative expenses have increased in absolute terms due to:

1. Increase in salaries, wages and benefits resulting from increase in routine annual increments etc;
2. Increase in legal and professional charges due to overall increase in litigations on sugar industry;
3. Increase in vehicle running expenses; and decrease in per M. Ton cost of sugar sold is due to increase in quantity sold during the year.

Munir Naiz

Raza Ali



Ali

SHAHTAJ SUGAR MILLS LIMITED
STATEMENT SHOWING ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Annexure - 10/A

WATER, GAS AND ELECTRICITY

	Y E A R	
	2021	2020
Water	13,510	19,190
Gas	274,000	212,140
Electricity	2,996,578	3,141,291
Electric power purchased/generated (Annexure-8)	2,745,233	3,401,100
	<u>6,029,321</u>	<u>6,773,721</u>

Munir Nawaz

Ali Akhtar



Ali

SHAHTAJ SUGAR MILLS LIMITED
STATEMENT SHOWING SELLING EXPENSES
DURING THE YEAR ENDED SEPTEMBER 30, 2021
Annexure 11

Sr.No.	Particulars	Current Year		Previous Year	
		Amount Rs.	Cost per ton of sugar Rs.	Amount Rs.	Cost per ton of sugar Rs.
(1)	(2)	(3)	(4)	(5)	(6)
1	Total Sugar Sold (M.Tons)		69,967		61,034
2	<u>COST</u>				
	Salaries, Wages and Benefits (Annex 6)	4,480,865	64.04	4,077,155	66.80
	Travelling and Conveyance	209	0.00	-	0.00
	Commission.	10,580,400	151.22	8,214,300	134.59
	Stacking / Restacking	3,008,228	42.99	1,881,240	30.82
	Loading / Unloading.	2,418,589	34.57	1,840,626	30.16
	Advertising for Sales Promotion	-	-	-	-
	Sugar export expenses	-	-	-	-
	Insurance	3,486,798	49.83	1,627,847	26.67
	TOTAL	23,975,089	342.66	17,641,168	289.04

Basis of allocation:

Fully charged to white bagged sugar.

Variance:

The cost was increased in absolute terms mainly due to increase in variable cost.

Munir Nawaz

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