



**HASEEB WAQAS SUGAR MILLS LIMITED**  
**APPENDIX III [see Rule 4(3)]**  
**OF THE COMPANIES (AUDIT OF COST ACCOUNTS) RULES, 1998**  
**OF THE COST AUDITORS' REPORT TO THE BOARD OF DIRECTORS**

This is with reference to our appointment as Cost Auditors for the year ended September 30, 2008 vide application made, on the form as set out in Appendix I [see Rule 3(3)] of the Companies (Audit of Cost Accounts) Rules, 1998, to the Securities and Exchange Commission of Pakistan (SECP) (the "Commission") dated October 30, 2008 and subsequent approval by the same authority, as conveyed vide Letter No. EMD/C.O.258/85/2002-8157 dated November 05, 2008. In this regard, we take pleasure in reporting hereunder on the following matters:

**1 CAPACITY**

- 1.1** Licensed/Installed Capacity of the Mill (*M. Tons. Per Day*)  
Capacity Utilized by the Mill (*M. Tons. Per Day*)  
No. of Days Worked (*Days*)  
Total Capacity based on the No. of Days Worked (*M. Tons.*)  
Cane Crushed (*M. Tons.*)

	2008	2007	2006
	8,000	8,000	8,000
	3,605	3,640	3,433
	135	142	124
	1,076,960	1,139,600	980,333
	485,275	518,687	424,017

- 1.2** The Company is not engaged in any other activity.

**2 COST ACCOUNTING SYSTEM**

- 2.1** The Company is engaged in the production of White Sugar using a Continuous Process. The Company uses a tailor-made Accounting Software for Sugar Industry, whereby the Cost Accounting Records are integrated with the Financial Accounting Records allowing all the accounting entries for the Cost of Production, at various levels, to be incorporated in the financial books of account. The Company's weightment bridge is fully computerized that facilitates the incorporation of Cane purchased in the books of account at the time of weightment. The said Software was assessed as adequate to determine correctly the Company's Cost of Production.

- 2.2** The Actual Costs incurred during the period are allocated to the respective Cost Centres, as under:

- a) Production Department:**  
White Sugar
- b) Service Department:**  
Steam Generation  
Electricity Generation

**3 PRODUCTION**

- 3.1** Sugar produced from Sugar Cane (*M. Tons.*)  
Sugar produced from Sugar Cane (*No. of 50 kg. Bags of Sugar*)

	2008	2007	2006
	38,529	40,767	36,117
	770,570	815,330	722,330

- 3.2 Percentage of Production in relation to Available/Installed Capacity:**

- Available/Installed Capacity (*M. Tons.*)  
Capacity Utilized (*M. Tons.*)  
  
Percentage of Production in relation to Installed Capacity

	2008	2007	2006
	1,076,960	1,139,600	980,333
	485,275	518,687	424,017
	45.00%	45.50%	43.30%

- 3.2.1 Percentage of Production in relation to Available/Installed Capacity (in terms of Recovery Percentage):**

- Installed Crushing Capacity (at 135 days)  
Attained Crushing Capacity  
Variance

2008		
Sugar Cane ( <i>M. Tons.</i> )	Recovery %	White Sugar ( <i>M. Tons.</i> )
1,076,960	7.95%	85,618
485,275	7.95%	38,529
591,685	-	47,090

- Installed Crushing Capacity (at 143 days)  
Attained Crushing Capacity  
Variance

2007		
Sugar Cane ( <i>M. Tons.</i> )	Recovery %	White Sugar ( <i>M. Tons.</i> )
1,144,000	7.86%	89,918
518,687	7.86%	40,767
625,313	-	49,151

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	2006		
	Sugar Cane (M. Tons.)	Recovery %	White Sugar (M. Tons.)
Installed Crushing Capacity (at 124 days)	992,000	8.52%	84,518
Attained Crushing Capacity	424,017	8.52%	36,117
Variance	567,983	-	48,401

**3.2.2 Reason for Variance in Available/Installed Capacity:**

Available Capacity depends upon the length of crushing season, which was (in Days)

	2008	2007	2006
	135	142	124

**3.2.3 Reason for Variance in Capacity Utilized:**

The decrease in Capacity Utilized is due to the shortage in supply of Sugar Cane during the season of crushing.

**3.2.4 Percentage of Hours Crushed in relation to Crushing Hours Available:**

Crushing Hours Available (Hours)  
Hours Actually Crushed (Hours)

Percentage of Hours Crushed in relation to Crushing Hours Available

	2008	2007	2006
Crushing Hours Available (Hours)	3,231	3,419	2,941
Hours Actually Crushed (Hours)	2,739	2,616	1,961
Percentage of Hours Crushed in relation to Crushing Hours Available	84.77%	76.51%	66.68%

**3.3 Addition to the Production Capacity during the year or in immediate preceding two years:**

There were no additions to the Production Capacity during the year or in immediate preceding two years.

**4 RAW MATERIAL**

**4.1** Please refer to the 'Statement showing the Cost of Sugar Cane Crushed, i.e. Annexure III'.

**4.2 The Cost of Raw Material (per bag of production) :**

Raw Material Cost (Rupees)  
No. of 50 kg. Bags of Sugar (Bags)

Cost of Raw Material (per bag of production) (Rupees)

	2008	2007	2006
Raw Material Cost (Rupees)	758,291,115	857,450,964	926,928,007
No. of 50 kg. Bags of Sugar (Bags)	770,570	815,330	722,330
Cost of Raw Material (per bag of production) (Rupees)	984.07	1,051.66	1,283.25

**4.3** The Production of Sugar (per M. Tons. Of Sugar Cane) depends upon the quality of Sugar Cane and the months during which the Sugar Cane has been crushed.

The Raw Material Cost (per bag of production) has decreased mainly due to the reduction in the amount of Sugar Cane received at the Factory Gate by Rs. 86.23 Million, in comparison with the prior year. In addition to this, the amount of Subsidy to Growers and Quality Premium has also fallen by Rs. 12.62 Million (2007: Rs. 381.20 Million) from the last year.

**4.4 No. of Bags of Sugar produced per M. Tons. Of Sugar Cane crushed:**

No. of 50 kg. Bags of Sugar (Bags)  
Total Sugar Cane crushed (M. Tons.)

No. of Bags of Sugar produced per M. Tons. Of Sugar Cane crushed (Bags)

	2008	2007	2006
No. of 50 kg. Bags of Sugar (Bags)	770,570	815,330	722,330
Total Sugar Cane crushed (M. Tons.)	485,275	518,687	424,017
No. of Bags of Sugar produced per M. Tons. Of Sugar Cane crushed (Bags)	1.59	1.57	1.70

**4.5 Recovery Percentage of Sugar:**

(in Percentage)

	2008	2007	2006
Recovery Percentage of Sugar	7.95%	7.86%	8.52%

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4.6 The Sugar Cane, being received from farmers at the Factory Gate and Purchase Centres (Depots), is directly transferred to production. It was also reviewed and observed that proper computerized and manual records, regarding the receipt and purchase of Sugar Cane (both in Quantity and Value), were maintained.

**5 WAGES AND SALARIES**

5.1 Please refer to the 'Statement showing the Cost of Salaries, Wages and Benefits, i.e. Annexure VI'.

5.2 The Administrative Salaries include the Remuneration of the Chief Executive and two (2) Directors, which amounts to Rs. 1.80 Million (2007: Rs. 1.20 Million) and Rs. 2.40 Million (2007: Rs. 2.40 Million) respectively. The said are also entitled to the free use of Company Cars.

**5.3 Total Man-Days of Direct Labour Available and Actually Worked for the year:**

Total Man-Days of Direct Labour Available (*Days*)  
 Total Man-Days of Direct Labour Actually Worked (*Days*)

2008	2007	2006
123,581	103,389	81,387
104,763	79,093	53,899

**5.4 Average No. of Workers Employed for the year:**

Direct and Indirect Labour, including Contract Staff (*No. of Workers*)

2008	2007	2006
918	723	659

**5.5 Direct Labour Cost (per Bag of Output):**

Direct Labour Cost (*Rupees*)  
 No. of Bags of Sugar Cane (*Bags*)  
 Direct Labour Cost (*per Bag of Output*) (*Rupees*)

2008	2007	2006
52,327,309	44,203,955	39,003,910
770,570	815,330	722,330
67.91	54.22	54.00

5.6 The Direct Labour Cost (*per Bag of Output*) has seen an increase, which is mainly due to the raise in Basic Wage Rate announced by the Federal Government and increase in the number of workers during the Crushing Season.

5.7 There were various Incentive Schemes for Direct/Indirect Labour, i.e. EOBI, ESSI, Gratuity, Group Insurance etc. No change was observed in these Incentive Schemes during the year.

**6 STORES AND SPARE PARTS**

**6.1 Stores and Spare Parts - Expenditure per Bag of Output:**

Expenditure on Stores and Spare Parts (*Rupees*)  
 No. of Bags of Sugar Cane (*Bags*)  
 Stores and Spare Parts - Expenditure per Bag of Output (*Rupees*)

2008	2007	2006
71,233,375	41,350,798	44,379,955
770,570	815,330	722,330
92.44	50.89	61.44

6.2 The Stores and Spare Parts Cost per unit of Output has risen due to the increase in the prices of Spare Parts.

**6.3 Comments on the System of Stores accounting for recording Receipts, Issues and Balances, (both in Quantities and Values):**

**a) Recording of Receipts:**

The Company follows the Perpetual Method of Accounting for Stores and Spare Parts. The Receipts are recorded on the basis of Actual Prices and Actual Quantities received.

**b) Recording of Consumption:**

The Stores and Spare Parts consumed are recorded on the basis of Stores Requisition Slips and are valued at an Average Rate. The Provision for Obsolescence, if any, of the Stores and Spare Parts and any reversal thereof are included in the normal consumption.

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**6.4 The Proportion of Closing Inventory of the Stores, representing items that have not been moved for over Twenty Four (24) months:**

3.38 (2007: 3.75) percent of the Inventory items, in terms of value, have not been moved for over Twenty Four (24) months from the end of the reporting period.

**7 DEPRECIATION**

**7.1** The Company uses the Reducing Balance Method for the purpose of determining the depreciation charge for the year, at the rates ranging between 5% - 20%.

**7.2** Depreciation on additions is charged from the month in which the asset is put to use. Depreciation on disposals of assets is charged up to the month the asset is in use.

**7.3** The depreciation charge is allocated between the Cost of Sales and Administrative Expenses at the rate of 94% and 6% approximately, respectively.

**8 OVERHEADS**

**8.1 The total amount of overheads is as under:**

- i) Factory Overheads
- ii) Administration Overheads
- iii) Selling and Distribution Overheads
- iv) Financial Charges

2008	2007	2006
-----Rupees-----		
<b>4,189,912</b>	3,386,934	3,469,148
<b>32,411,024</b>	32,924,968	26,044,451
-	-	738,915
<b>108,982,323</b>	108,616,853	81,247,755
<b>145,583,259</b>	144,928,755	111,500,269

**8.2** For break-up of the items (i), (ii) and (iii), please refer to the 'Statement showing Other Factory Overheads, i.e. Annexure IX', the 'Statement showing Administrative Expenses, i.e. Annexure X' and the 'Statement showing Selling Expenses, i.e. Annexure XI' respectively.

**8.3 The variances in the above overheads, in comparison with the preceding two years, are as under:**

- i) Factory Overheads
- ii) Administration Overheads
- iii) Selling and Distribution Overheads
- iv) Financial Charges

2008	2007	Increase / (Decrease)
-----Rupees-----		
<b>4,189,912</b>	3,386,934	<b>802,978</b>
<b>32,411,024</b>	32,924,968	<b>(513,944)</b>
-	-	-
<b>108,982,323</b>	108,616,853	<b>365,470</b>

- i) Factory Overheads
- ii) Administration Overheads
- iii) Selling and Distribution Overheads
- iv) Financial Charges

2008	2006	Increase / (Decrease)
-----Rupees-----		
<b>4,189,912</b>	3,469,148	<b>720,764</b>
<b>32,411,024</b>	26,044,451	<b>6,366,573</b>
-	738,915	<b>(738,915)</b>
<b>108,982,323</b>	81,247,755	<b>27,734,568</b>

**8.4** The variance in the Administrative Expenses is mainly due to normal annual increments and increase in minimum wage by the Federal Government during the current fiscal year.

During the year, there was a significant decrease in travelling and conveyance expenses. Furthermore, several out-door trips made by the Directors, in the previous year, were for business purposes.

Repairs and Maintenance has increased significantly due to more replacement and repairs work carried out during the year.

The Depreciation has declined, in comparison with the prior year, as a consequence of several Motor Vehicles being disposed off.

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Increase in the Financial Charges is due to multifold reasons, but mainly due to the increase in KIBOR rate.

8.5 All Factory Overheads have been charged directly to the White Sugar Produced and Work in Progress. The method of charging the said overheads to production is based on the Absorption Costing Method.

8.6 **The Cost of Packing Material:**

Polypropylene Bags

2008	2007	2006
-----Rupees-----		
9,619,965	8,619,266	7,096,139
9,619,965	8,619,266	7,096,139

9 **ROYALTY/TECHNICAL AID PAYMENT**

The Company has not paid any Royalty or Technical Aid Payment during the year under report.

10 **ABNORMAL NON-RECURRING FEATURES**

10.1 The Company has faced various abnormal features that have affected the production during the year, viz.: Low Cane Recovery, Low Production, High Cane Cost etc. The driving forces behind these abnormalities were: the increase in competition with surrounding Sugar Mills, less rains, heavy frost and the abundance of unapproved, poor quality Sugar Cane varieties.

10.2 There were no special expenses incurred during the year that have been charged to White Sugar.

11 **COST OF PRODUCTION**

11.1 Please refer to the 'Statement showing the Cost of Production and Sale of White Bagged Sugar, i.e. Annexure I'.

11.2 **The Cost of Production per M. Tons. of White Sugar:**

Cost of Goods Manufactured (*Rupees*)  
 Sugar produced from Sugar Cane (*M. Tons.*)  
  
 Cost of Production per M. Tons. of White Sugar (*Rupees*)

2008	2007	2006
995,582,557	1,148,190,005	1,136,129,445
38,529	40,767	36,117
25,840.16	28,165.04	31,457.35

11.3 The Cost of Production per M. Tons. Of White Sugar has decreased by Rs. 2,324.88. This decrease has resulted from the reduction in Sugar Cane/Raw Material Cost and Subsidy to Growers/Quality Premium.

12 **SALES**

12.1 **Local - White Sugar**

Total Sales of Sugar (*Rupees*)  
 No. of 50 kg. Bags Sold of White Sugar (*Bags*)  
  
 Average Selling Price per 50 kg. Bag of White Sugar (*Rupees*)  
 Average Selling Price per M. Tons. of White Sugar (*Rupees*)

2008	2007	2006
1,197,844,504	960,352,497	907,090,000
900,977	670,684	572,072
1,329.50	1,431.90	1,585.62
26,589.90	28,638.00	31,712.44

12.2 There were no exports of White Sugar during the year under report.

13 **PROFITABILITY**

13.1 **Profit/(Loss) per M. Tons. of White Sugar:**

Total Cost to Make and Sell White Sugar (*Rupees*)  
 Quantity of White Sugar Sold (*M. Tons.*)

2008	2007	2006
1,312,143,342	1,143,865,350	1,016,163,678
45,049	33,534	28,604

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Cost of White Sugar Sold per M. Tons. ( <i>Rupees</i> )	<b>29,127.09</b>	34,110.41	35,525.73
Sale Price per M. Tons. Of White Sugar (from 12.1 above) ( <i>Rupees</i> )	<b>26,589.90</b>	28,638.00	31,712.44
Profit/(Loss) per M. Tons. ( <i>Rupees</i> )	<b>(2,537)</b>	(5,472)	(3,813)

**13.2 Profit/(Loss) per Machine Hour:**

	<b>2008</b>	2007	2006
Total Profit/(Loss) on the Sale of White Sugar ( <i>Rupees</i> )	<b>(114,297,509)</b>	(183,512,853)	(109,073,678)
Total Machine Hours Available ( <i>Hours</i> )	<b>3,231</b>	3,419	2,941
Total Machine Hours Lost ( <i>Hours</i> )	<b>492</b>	803	980
Total Machine Hours Actually Crushed ( <i>Hours</i> )	<b>2,739</b>	2,616	1,961
Profit/(Loss) per Machine Hour ( <i>Rupees</i> )	<b>(41,730)</b>	(70,150)	(55,621)

**13.3** The Profitability of the Company depends upon the Import Policies relating to Sugar, the Support Prices of Sugar Cane - as fixed by the Government and the Recovery Percentage of Sugar from the Sugar Cane.

**14 COST AUDITORS' OBSERVATIONS AND CONCLUSIONS**

To the best of our knowledge and belief, there are no:

- a) matters, which appear to be clearly wrong in principle or apparently unjustifiable;
- b) cases, where the Company's funds have been used in a negligent or inefficient manner;
- c) factors that could have been controlled, but have not been done resulting in the increase in Cost of Production;
  - i) we state that the Company has maintained a good Budgetary Control System; and
  - ii) we also state that the Company has setup an effective Internal Audit Function, which is operated through the Head Office, manned by suitably qualified and experienced personnel, who are conversant with the policies and procedures of the Company.

**d) Suggestions for Improvements in Performance:**

**i) Rectification of General Imbalance in Production Facilities:**

Our procedures did not reveal any general imbalance in production facilities.

**ii) Fuller Utilization of Installed Capacity:**

Though the Company has significantly improved its Crushing per Day yet there is space to reduce between the Installed Cane Crushing Capacity and the Capacity Achieved.

**iii) Comments on areas offering scope for Cost Reduction, Productivity, Key Limiting Factor, Improved Inventory Policies, Energy Conservancy, State of Technology, whether modern or obsolete; and Plant, whether new or second-hand when installed:**

The major component of the cost is Sugar Cane, which should be controlled by having efficient field staff for procurement. Further scientific means should be adopted to determine the Quality of Cane, so as to avoid purchase of Low Quality Cane, which will ultimately enhance the Recovery Rate and Overall Profitability. Besides the cost reduction in purchase of raw material, savings in other Manufacturing Expenses shall be tried. Apart from the non-availability of Sugar Cane, there are no bottlenecks that limit production. Further that the Inventory System is adequate, the utilization of energy is efficient (being utilized at the maximum level) and the plant was new when installed.

**15 RECONCILIATION WITH FINANCIAL ACCOUNTS**

The figures shown in this report are subject to reconciliation with the Annual Accounts duly audited, as required under Rule 15 of the Companies (Audit of Cost Accounts) Rules, 1998.

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**OF THE COST AUDITORS' REPORT TO THE BOARD OF DIRECTORS**

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**16 COST STATEMENT**

Cost Statements on the formats prescribed by the Securities and Exchange Commission of Pakistan (SECP) (the "Commission") under Clause (e) of Sub-Section (1) of Section 230 of the Companies Ordinance, 1984, duly authenticated by the Chief Executive and Chief Accountant, are enclosed with this report.

**17 MISCELLANEOUS**

Corresponding figures have been re-stated and re-grouped, wherever necessary to facilitate comparison.

LAHORE: March 16, 2009

**MANSOOR ASLAM SERAJ SALEEM,**  
**CHARTERED ACCOUNTANTS.**

**HASEEB WAQAS SUGAR MILLS LIMITED**  
**COST AUDIT REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

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**COMPANY INFORMATION**

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1	Name of the Company:	<i>Haseeb Waqas Sugar Mills Limited</i>
2	Date of Incorporation:	<i>January 13, 1992</i>
3	Location of the Registered Office:	<i>103 - B/1, M.M. Alam Road, Gulberg III, Lahore</i>
4	Location of the Factory:	<i>Merajabad, Nankana Sahib, District Nankana</i>
5	Products other than Sugar being manufactured:	<i>----- N/A -----</i>
6	Number of Hours of Actual Crushing ( <i>Hours</i> ):	<i>2,739</i>
7	Installed Cane Crushing Capacity ( <i>in Tonnes. Per Day</i> ):	<i>8,000</i>

**CHIEF EXECUTIVE**  
LAHORE: March 16, 2009

**CHIEF ACCOUNTANT**

**HASEEB WAQAS SUGAR MILLS LIMITED**  
**COST AUDIT REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**PRODUCTION DATA**

<b>Sr. N<sup>o</sup>.</b>	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
<b>1(a)</b>	<b>CANE CRUSHED</b>		
	Date of Starting	<b>November 23, 2007</b>	November 23, 2006
	Date of Finishing	<b>April 05, 2008</b>	April 15, 2007
	Duration of Run Days	<b>135</b>	142
	Total Number of Hours in Duration	<b>3,231</b>	3,419
	Total Number of Hours of Actual Crushing	<b>2,739</b>	2,616
	Total Number of Hours Lost	<b>492</b>	803
	Total Cane Milled ( <i>in Tonnes.</i> )	<b>485,275</b>	518,687
	Converted Maunds	<b>12,131,880</b>	12,967,182
	Total Mixed Juice Obtained ( <i>in Tonnes.</i> )	<b>444,468</b>	448,109
<b>1(b)</b>	<b>GUR MELTED</b>	-	-
<b>2</b>	<b>JUICE AND ADDED WATER</b>		
	Average Mixed Juice % Cane	<b>91.59%</b>	86.39%
	Average Added Water % Cane	<b>20.87%</b>	16.82%
<b>3</b>	<b>SUGAR MADE</b>		
	Total Sugar Bagged of All Grades:		
	100 Kgs.	-	-
	50 Kgs.	<b>770,570</b>	815,330
	Sugar Bagged ( <i>in Tonnes.</i> )	<b>38,529</b>	40,767
	Sugar in Process ( <i>in Tonnes.</i> )	<b>189</b>	145
<b>4</b>	<b>MOLASSES EXTRACTED</b>		
	Total Molasses Sent Out ( <i>in Tonnes.</i> )	<b>24,038</b>	24,685
	Molasses in Process ( <i>in Tonnes.</i> )	<b>116</b>	111
<b>5</b>	<b>RECOVERY (in % age)</b>		
	Laboratory Test Percentage Recovery of Sugar Cane:		
	Average Recovery of Marketable White Sugar % Cane	<b>7.95%</b>	7.86%
	Average Production of Final Molasses % Cane	<b>4.95%</b>	4.78%
<b>6</b>	<b>BY-PRODUCTS</b>		
	Bagasse % Cane (Calculated) ( <i>in Tonnes.</i> )	<b>30.06%</b>	30.09%
	V.F. Cake % Cane ( <i>in Tonnes.</i> )	<b>3.00%</b>	3.00%
<b>7</b>	<b>CLARIFICATION PROCESS</b>		
	<i>Defactation Remelt Phosphitation</i>		

**CHIEF EXECUTIVE**  
LAHORE: March 16, 2009

**CHIEF ACCOUNTANT**

**HASEEB WAQAS SUGAR MILLS LIMITED**  
**COST AUDIT REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

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**STATEMENT SHOWING CAPACITY UTILISED**

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<b>Sr. N<sup>o</sup>.</b>	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
<b>1</b>	Licensed Cane Crushing Capacity ( <i>in Tonnes per Day</i> )	<b>8,000</b>	8,000
<b>2</b>	Installed Cane Crushing Capacity ( <i>in Tonnes per Day</i> )	<b>8,000</b>	8,000
<b>3</b>	Utilized Cane Crushing Capacity ( <i>in Tonnes per Day</i> )	<b>3,605</b>	3,640
<b>4</b>	Percentage of Utilized Capacity in relation to Installed Capacity	<b>45.00%</b>	45.50%

**CHIEF EXECUTIVE**

LAHORE: March 16, 2009

**CHIEF ACCOUNTANT**

**HASEEB WAQAS SUGAR MILLS LIMITED**  
**COST AUDIT REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**STATEMENT SHOWING PRODUCTION CAPACITY OF THE PLANT**

<b>Sr. N<sup>o</sup>.</b>	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
<b>1</b>	<b>INSTALLED PRODUCTION</b>		
	Sugar	<b>85,618</b>	89,604
	Molasses	<b>53,310</b>	54,492
	Others	-	-
<b>2</b>	<b>ACTUAL PRODUCTION</b>		
	Sugar	<b>38,529</b>	40,767
	Molasses	<b>24,038</b>	24,685
	Others	-	-
<b>3</b>	<b>PERCENTAGE OF PRODUCTION IN RELATION TO INSTALLED CAPACITY</b>		
	Sugar	<b>45.00%</b>	45.50%
	Molasses	<b>45.09%</b>	45.50%
	Others	-	-

**CHIEF EXECUTIVE**  
LAHORE: March 16, 2009

**CHIEF ACCOUNTANT**

**HASEEB WAQAS SUGAR MILLS LIMITED**  
**COST AUDIT REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**STATEMENT SHOWING STOCK IN TRADE**

Sr. N <sup>o</sup> .	Particulars	Current Year		Previous Year	
		Quantity (in M. Tons.)	Amount (Rs.)	Quantity (in M. Tons.)	Amount (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)
1	<b>RAW MATERIAL</b>	-	-	-	-
2	<b>WORK IN PROCESS</b>				
	Sugar	189	4,289,437	145	3,533,564
	Molasses	116	834,242	111	228,073
			5,123,679		3,761,637
3	<b>FINISHED GOODS</b>				
	Sugar	10,045	228,092,146	16,565	403,259,584
	Molasses	-	-	4,957	10,161,561
			228,092,146		413,421,145
			233,215,825		417,182,782
4	<b>STORES AND SPARES</b>				
	Stores		23,460,472		30,947,961
	Spares		489,381		555,547
			23,949,853		31,503,508
			257,165,678		448,686,290

**CHIEF EXECUTIVE**  
LAHORE: March 16, 2009

**CHIEF ACCOUNTANT**

HASEEB WAQAS SUGAR MILLS LIMITED  
 COST AUDIT REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

SCHEDULE III  
 [see Para 2(1)]

ANNEXURE I

STATEMENT SHOWING COST OF PRODUCTION AND SALE OF WHITE BAGGED SUGAR

QUANTITATIVE DATA - BAGGED SUGAR:

	Current Year	Previous Year
Opening Stock (in M. Tons.)	16,565	9,333
<b>Add:</b> Production (in M. Tons.)	38,529	40,767
	55,093	50,099
<b>Less:</b> Closing Stock (in M. Tons.)	(10,045)	(16,565)
Sales (in M. Tons.)	45,049	33,534

Sr. N <sup>o</sup> .	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)
<b>1</b>	<b>RAW MATERIALS</b>				
	Sugar Cane (Annex. III)	758,291,115	19,681.30	857,450,964	21,033.22
	Beet (Annex. IV)	-	-	-	-
	Gur	-	-	-	-
	Raw Sugar	-	-	-	-
	Process Material (Annex. V)	10,076,332	261.53	6,413,683	157.33
		768,367,447	19,942.83	863,864,647	21,190.55
2	Salaries, Wages and Benefits (Annex. VI)	52,327,309	1,358.15	44,203,955	1,084.32
3	Repairs and Maintenance	52,771,548	1,369.68	25,182,032	617.71
4	Steam (Annex. VII)	1,680,815	43.63	2,087,307	51.20
5	Electric Power (Annex. VIII)	4,937,693	128.16	5,364,983	131.60
6	Insurance	5,342,214	138.66	6,745,573	165.47
7	Depreciation	53,085,654	1,377.83	53,019,793	1,300.57
8	Other Factory Overheads (Annex. IX)	4,189,912	108.75	4,111,017	100.84
9	<b>TOTAL COST</b>	<b>942,702,592</b>	<b>24,467.67</b>	<b>1,004,579,307</b>	<b>24,642.28</b>
10	<b>Add:</b> Opening Stock - Work in Process - Sugar	3,533,564	91.71	2,912,662	71.45
11	<b>Less:</b> Closing Stock - Work in Process - Sugar	4,289,437	111.33	3,533,564	86.68
12	<b>TOTAL COST OF GOODS MANUFACTURED</b>	<b>941,946,719</b>	<b>24,448.05</b>	<b>1,003,958,405</b>	<b>24,627.04</b>
13	<b>Less:</b> Realisable Value of By-Products (Molasses)	108,379,555	2,812.97	3,540,132	86.84
14	<b>NET COST OF GOODS MANUFACTURED</b>	<b>833,567,164</b>	<b>21,635.08</b>	<b>1,000,418,273</b>	<b>24,540.21</b>
15	<b>Add:</b> Packing Material and Handling	9,947,510	258.19	8,859,365	217.32
16	<b>NET COST OF BAGGED SUGAR</b>	<b>843,514,674</b>	<b>21,893.27</b>	<b>1,009,277,638</b>	<b>24,757.52</b>
17	<b>Add:</b> Sales Tax/Excise Duty	152,067,883	3,946.89	138,912,367	3,407.51
18	<b>TOTAL COST OF BAGGED SUGAR</b>	<b>995,582,557</b>	<b>25,840.16</b>	<b>1,148,190,005</b>	<b>28,165.04</b>
19	<b>Add:</b> Opening Stock - Sugar	403,259,584	10,466.53	257,393,108	6,313.84
20	<b>Add:</b> Purchases	-	-	-	-
21	<b>Less:</b> Closing Stock - Sugar	228,092,146	5,920.09	403,259,584	9,891.94
22	<b>COST OF SALES</b>	<b>1,170,749,995</b>	<b>30,386.60</b>	<b>1,002,323,529</b>	<b>24,586.94</b>
23	<b>ADMINISTRATIVE EXPENSES (ANNEX. X)</b>	<b>32,411,024</b>	<b>841.22</b>	<b>32,924,968</b>	<b>807.65</b>
24	<b>SELLING AND DISTRIBUTION COST (ANNEX. XI)</b>	-	-	-	-
25	<b>FINANCE COST</b>	<b>108,982,323</b>	<b>2,828.62</b>	<b>108,616,853</b>	<b>2,664.37</b>
26	<b>OTHER CHARGES</b>	-	-	-	-
	<b>TOTAL COST TO MAKE AND SELL</b>	<b>1,312,143,342</b>	<b>34,056.43</b>	<b>1,143,865,350</b>	<b>28,058.95</b>

**HASEEB WAQAS SUGAR MILLS LIMITED**  
**COST AUDIT REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**ANNEXURE II**

**STATEMENT SHOWING COST OF SUGAR CANE PRODUCED**

Sr. N <sup>o</sup> .	Particulars	Current Year		Previous Year	
		Quantity (in M. Tons.)	Amount (Rs.)	Quantity (in M. Tons.)	Amount (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)
<b>1</b>	<b>SEEDS AND OTHER INPUTS</b>				
	Seeds	-	-	-	-
	Fertilizers, Herbicides etc.	-	-	-	-
	Insecticides	-	-	-	-
	Abiana/Water Charges	-	-	-	-
	<b>TOTAL COST OF INPUTS</b>		-		-
<b>2</b>	<b>LABOUR COST</b>				
	Land Preparation	-	-	-	-
	Plantation	-	-	-	-
	Maintenance of Cane Crop/Ratoons	-	-	-	-
	Operation of Tractors	-	-	-	-
	Harvesting	-	-	-	-
	<b>TOTAL LABOUR COST</b>		-		-
<b>3</b>	<b>OTHER COSTS</b>				
	Fuel for Tractors' Operation	-	-	-	-
	Maintenance and Over haul of Tractors	-	-	-	-
	Insurance	-	-	-	-
	Interest Expenses	-	-	-	-
	Depreciation of Equipment	-	-	-	-
	Rent of Agricultural Equipment (if any)	-	-	-	-
	<b>TOTAL OTHER COSTS</b>		-		-
	<b>TOTAL COST OF OWN PRODUCTION (1 + 2 + 3)</b>		-		-
	<b>SALES VALUE - AT CONTROLLED PRICE</b>		-		-
	<b>PROFIT/(LOSS) ON OWN PRODUCTION</b>		-		-

**Note:**

*As no Sugar Cane has been cultivated by the Company on its own farm, consequently the above annexure is not applicable.*

**CHIEF EXECUTIVE**  
 LAHORE: March 16, 2009

**CHIEF ACCOUNTANT**

**HASEEB WAQAS SUGAR MILLS LIMITED**  
**COST AUDIT REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**ANNEXURE III**

**STATEMENT SHOWING COST OF SUGAR CANE CRUSHED**

Sr. N <sup>o</sup> .	Particulars	Current Year			Previous Year		
		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 Sugar Cane purchased at Govt. Fixed Rate	485,275	1,423.09	690,589,129	518,687	1,497.67	776,823,465
	<b>Add:</b> Sugar Cane produced from own Farm	-	-	-	-	-	-
	<b>Less:</b> Loss in Transit	-	-	-	-	-	-
	<b>SUGAR RECEIVED AT FACTORY GATE</b>	485,275	1,423.09	690,589,129	518,687	1,497.67	776,823,465
2	Commission		-	-		-	-
3	Quality Premium/Subsidy to Growers		40.12	19,468,470		61.87	32,089,334
4	Cane Loading Charges		3.77	1,828,489		6.39	3,313,659
5	Cane Unloading/Feeding Charges		0.42	203,914		0.47	241,845
6	Cane Development Charges		17.33	8,409,913		13.01	6,747,871
7	<b>TAXES AND LEVIES</b>						
	Cane Cess/Purchase Tax		-	-		-	-
	Market Committee Fee		5.00	2,426,401		5.01	2,599,184
	Road Cess		12.50	6,066,963		12.53	6,496,947
	Octroi		-	-		-	-
	Other Levies		-	-		-	-
			17.50	8,493,364		17.54	9,096,131
8	<b>TRANSPORTATION CHARGES</b>						
	Cane Haulage/Transportation Costs		27.16	13,180,540		34.10	17,685,902
	Transportation Subsidy		-	-		-	-
	Others		32.70	15,870,481		21.30	11,049,431
			59.87	29,051,021		55.40	28,735,333
9	<b>OTHER EXPENDITURE AT CANE COLLECTION CENTERS</b>						
	Salaries and Wages		-	-		-	-
	Stores		-	-		-	-
	Repairs and Maintenance		-	-		-	-
	Stamping and Weigh-Bridging		0.51	246,815		0.78	403,326
			0.51	246,815		0.78	403,326
	<b>TOTAL COST OF SUGAR CANE TRANSFERRED TO PRODUCTION PROCESS (ANNEXURE I)</b>	485,275	1,562.60	758,291,115	518,687	1,653.12	857,450,964

**Notes:**

1. No Sugar Cane has been produced by the Company; and
2. No Beet has been used for the production of White Sugar.

**CHIEF EXECUTIVE**  
LAHORE: March 16, 2009

**CHIEF ACCOUNTANT**

HASEEB WAQAS SUGAR MILLS LIMITED  
 COST AUDIT REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2008

ANNEXURE IV

STATEMENT SHOWING COST OF BEET CONSUMED

Sr. N <sup>o</sup> .	Particulars	Current Year			Previous Year		
		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	-	-	-	-	-	-
	<b>BEET RECEIVED AT FACTORY GATE</b>	-	-	-	-	-	-
2	Commission Paid	-	-	-	-	-	-
3	Loading/Unloading Expense	-	-	-	-	-	-
4	<b>BEET DEVELOPMENT EXPENSES</b>						
	Salaries and Wages of Supply and Development Staff	-	-	-	-	-	-
	Sugar Development Research	-	-	-	-	-	-
	Supply Staff and Transportation Expenses	-	-	-	-	-	-
	Other Expenditure	-	-	-	-	-	-
		-	-	-	-	-	-
5	<b>TAXES AND LEVIES (IF ANY)</b>						
	Purchase Tax	-	-	-	-	-	-
	Market Committee Fee	-	-	-	-	-	-
	Road Cess	-	-	-	-	-	-
	Octroi	-	-	-	-	-	-
	Other Levies	-	-	-	-	-	-
		-	-	-	-	-	-
6	<b>TRANSPORTATION CHARGES</b>						
	Delivery Expenses/Travelling from Purchase Center to Mill Gate	-	-	-	-	-	-
	Transport Subsidy	-	-	-	-	-	-
	Others	-	-	-	-	-	-
		-	-	-	-	-	-
7	<b>OTHER EXPENDITURE AT BEET COLLECTION CENTERS</b>						
	Salaries and Wages	-	-	-	-	-	-
	Stores	-	-	-	-	-	-
	Repairs and Maintenance	-	-	-	-	-	-
	Others	-	-	-	-	-	-
		-	-	-	-	-	-
	<b>TOTAL COST OF BEET TRANSFERRED TO PRODUCTION PROCESS (ANNEXURE I)</b>	-	-	-	-	-	-

**Notes:**

1. No Beet has been produced by the Company; and
2. No Beet has been used for the production of White Sugar.

CHIEF EXECUTIVE  
 LAHORE: March 16, 2009

CHIEF ACCOUNTANT

**HASEEB WAQAS SUGAR MILLS LIMITED**  
**COST AUDIT REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

ANNEXURE V

**STATEMENT SHOWING COST OF PROCESS MATERIAL CONSUMED**

Sr. N <sup>o</sup> .	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)
	<b>TOTAL SUGAR PRODUCED (in M. Tons.)</b>	<b>38,529</b>		<b>40,767</b>	
	<b>COST</b>				
1	Unslaked Lime	1,532,019	39.76	944,597	23.17
2	Phosphoric Acid	612,306	15.89	524,132	12.86
3	Viscade	-	-	-	-
4	Sulphur	56,103	1.46	14,664	0.36
5	Caustic Soda	1,850,301	48.02	1,298,671	31.86
6	Soda Ash	505,675	13.12	294,630	7.23
7	Sodium Chloride	5,495	0.14	699	0.02
8	Sodium Sulphate and Nitrate	2,883	0.07	797	0.02
9	Bleaching Powder	15,230	0.40	-	-
10	Anti Foam	45,209	1.17	27,737	0.68
11	Formaline	10,111	0.26	13,164	0.32
12	Laboratory Chemicals	-	-	-	-
13	Scum Flocculant	68,350	1.77	-	-
14	Spirit	100,310	2.60	-	-
15	HCl	-	-	-	-
16	Mud Flocculant	362,230	9.40	270,180	6.63
17	Color Precipitant	-	-	-	-
18	Semi Flocculant	97,302	2.53	72,040	1.77
19	DGLOFLAOC DES200	1,121,105	29.10	1,023,918	25.12
20	Sikament 163	40,203	1.04	-	-
21	Decolorizer Propeagen	48,328	1.25	-	-
22	Lead Sub Acitate	32,840	0.85	17,875	0.44
23	Tri Sodium Phosphate	-	-	-	-
		<b>6,506,000</b>	<b>168.86</b>	<b>4,503,104</b>	<b>110.46</b>
24	Oil and Lubricants	3,570,332	92.67	1,910,579	46.87
	<b>TOTAL</b>	<b>10,076,332</b>	<b>261.53</b>	<b>6,413,683</b>	<b>157.33</b>
	<b>Less: ALLOCATED TO:</b>				
	Electricity Generation (Annexure VIII)	-	-	-	-
	Steam Generation (Annexure VII)	-	-	-	-
	Raw Material (Annexure III)	-	-	-	-
	Administrative Expenses (Annexure X)	-	-	-	-
	Selling and Distribution Cost (Annexure XI)	-	-	-	-
	Others (Annexure IX)	-	-	-	-
		-	-	-	-
	<b>BALANCE TRANSFERRED TO PRODUCTION PROCESS (ANNEXURE I)</b>	<b>10,076,332</b>	<b>261.53</b>	<b>6,413,683</b>	<b>157.33</b>

CHIEF EXECUTIVE  
LAHORE: March 16, 2009

CHIEF ACCOUNTANT

**HASEEB WAQAS SUGAR MILLS LIMITED**  
**COST AUDIT REPORT**  
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ANNEXURE VI

**STATEMENT SHOWING COST OF SALARIES, WAGES AND BENEFITS**

Sr. N <sup>o</sup> .	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)
	<b>TOTAL SUGAR PRODUCED (in M. Tons.)</b>	<b>38,529</b>		<b>40,767</b>	
<b>1</b>	<b>COST</b>				
	<b>SALARIES/WAGES</b>				
	Officers and Permanent Staff	39,030,952	1,013.04	30,303,648	743.35
	Seasonal Staff and Retained Staff	8,504,761	220.74	6,154,525	150.97
	Daily Rated and Contract Labour	1,326,263	34.42	5,204,493	127.67
	Bonuses/Ex Gratia/Rewards	1,353,181	35.12	1,389,335	34.08
		<b>50,215,157</b>	<b>1,303.32</b>	<b>43,052,001</b>	<b>1,056.06</b>
<b>2</b>	<b>BENEFITS</b>				
	Medical Expenses	-	-	-	-
	Canteen Expenses	-	-	-	-
	Staff Welfare	543,921	14.12	289,635	7.10
	Staaf Recreation	-	-	-	-
	Transport and Travelling	-	-	-	-
	Educational Cess/Expenses	-	-	-	-
	Group Insurance/Workmen	-	-	-	-
	Comp. Insurance	-	-	-	-
	Provident Fund (Employer's Contribution)	-	-	-	-
	Gratuity/Pension	1,557,691	40.43	1,514,494	37.15
	E.O.B.I Contribution	1,837,452	47.69	1,602,931	39.32
	Social Security	1,931,590	50.13	1,459,150	35.79
	Overtime - Direct	1,769,047	45.92	1,711,482	41.98
	Others	917,794	23.82	955,855	23.45
		<b>8,557,495</b>	<b>222.11</b>	<b>7,533,547</b>	<b>184.80</b>
	<b>TOTAL</b>	<b>58,772,652</b>	<b>1,525.43</b>	<b>50,585,548</b>	<b>1,240.86</b>
	<b>Less: ALLOCATED TO:</b>				
	Electricity Generation (Annexure VIII)	-	-	-	-
	Steam Generation (Annexure VII)	-	-	-	-
	Raw Material (Annexure III)	-	-	-	-
	Administrative Expenses (Annexure X)	6,445,343	158.10	6,381,593	156.54
	Selling and Distribution Cost (Annexure XI)	-	-	-	-
	Others (Annexure IX)	-	-	-	-
		<b>6,445,343</b>	<b>158.10</b>	<b>6,381,593</b>	<b>156.54</b>
	<b>BALANCE TRANSFERRED TO PRODUCTION PROCESS (ANNEXURE I)</b>	<b>52,327,309</b>	<b>1,367.33</b>	<b>44,203,955</b>	<b>1,084.32</b>

CHIEF EXECUTIVE  
LAHORE: March 16, 2009

CHIEF ACCOUNTANT

STATEMENT SHOWING COST OF STEAM GENERATED/CONSUMED

Sr. N°.	Particulars	Unit	Current Year	Previous Year	Variance
	<b>TYPE OF STEAM BOILER USED</b>		<b>Water Tube</b>	Water Tube	
1	Number of Days Worked	Days	135	142	(8)
2	Installed Capacity (Steam - in Tonnes.)	TPH	240	240	-
3	Utilised Capacity (steam in Tonnes.)	TPH	112	109	3
4	<b>PRODUCTION</b>				
	High Pressure Steam	Tonnes	-	-	-
	Medium Pressure Steam	Tonnes	-	-	-
	Low Pressure Steam	Tonnes	-	-	-
	<u>Less:</u> Transit Losses	Tonnes	-	-	-
	<b>TOTAL</b>	Tonnes	-	-	-
5	Percentage of Capacity Utilisation (3/2 x 100)	%	46.75%	45.50%	1.25

Sr. N°.	Particulars	Current Year			Previous Year		
		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)
	<b>TOTAL SUGAR PRODUCED</b>	<b>38,529</b>			40,767		
	<b>COST</b>						
1	Water	-	-	-	-	-	-
2	<b>FUELS</b>						
	Bagasse - Own	-	37.61	1,448,914	-	37.06	1,510,970
	Bagasse - Purchased	-	-	-	-	-	-
	Pith	-	-	-	-	-	-
	Coal Purchased	-	-	-	-	-	-
	Furnace Oil	-	-	-	6.63	270,354	-
	Fire Wood	-	6.02	231,901	7.51	305,983	-
	Gas	-	-	-	-	-	-
	Other Fuels - Husk and Straw	-	-	-	-	-	-
	Quantity of Waste Heat from the Plant (if any)	-	43.63	1,680,815	51.20	2,087,307	-
3	Consumable Stores	-	-	-	-	-	-
4	Direct Salaries, Wages and Benefits	-	-	-	-	-	-
5	Repairs and Maintenance	-	-	-	-	-	-
6	Other Direct Expenses (e.g. Boiler Inspection Fee etc.)	-	-	-	-	-	-
7	Insurance	-	-	-	-	-	-
8	Depreciation	-	-	-	-	-	-
9	<b>TOTAL COST OF STEAM RAISED</b>		43.63	1,680,815	51.20	2,087,307	
10	<u>Less:</u> Outside Sale	-	-	-	-	-	-
11	<b>TOTAL COST OF STEAM FOR SELF - CONSUMPTION</b>		43.63	1,680,815	51.20	2,087,307	
12	<u>Add:</u> Cost of Steam Purchased	-	-	-	-	-	-
13	<b>TOTAL COST OF STEAM CONSUMED</b>		43.63	1,680,815	51.20	2,087,307	
14	<b>ALLOCATION</b>						
	White Bagged Sugar (Annexure I)	-	41.23	1,680,815	51.20	2,087,307	-
	Electric Power House (Annexure VIII)	-	-	-	-	-	-
	Others:						
	(a) Staff Colony	-	-	-	-	-	-
	(b) Office Building	-	-	-	-	-	-
	<b>TOTAL</b>	<b>38,529</b>	<b>41.23</b>	<b>1,680,815</b>	<b>40,767</b>	<b>51.20</b>	<b>2,087,307</b>

STATEMENT SHOWING COST OF ELECTRIC POWER PURCHASED/GENERATED AND CONSUMED

Sr. N <sup>o</sup> .	Particulars	Unit	Current Year	Previous Year	Variance
1	Installed Capacity	kWh	23,712,000	23,712,000	-
2	Number of Units Generated	kWh	15,575,125	16,962,500	(1,387,375)
3	Number of Units Purchased	kWh	646,104	-	646,104
4	<b>TOTAL (2 + 3)</b>	kWh	<b>16,221,229</b>	<b>16,962,500</b>	<b>(741,271)</b>
5	Consumption in Power House including Other Losses	kWh	-	-	-
6	<b>NET UNITS CONSUMED (4-5)</b>	kWh	<b>16,221,229</b>	<b>16,962,500</b>	<b>(741,271)</b>
7	Percentage of Consumption and Losses to Total Units Available (5/4 x 100)	%	100.00%	100.00%	-
8	Percentage of Power Generated to Installed Capacity (2/1 x 100)	%	65.68%	71.54%	(5.85)

Sr. N <sup>o</sup> .	Particulars	Current Year			Previous Year		
		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)
	<b>TOTAL SUGAR PRODUCED</b>	<b>38,529</b>			<b>40,767</b>		
	<b>COST</b>						
1	Steam (Annex. VII)		-	-		-	-
2	Consumable Stores		3.35	128,956		14.10	574,615
3	Salaries and Wages		-	-		-	-
4	Other Direct Expenses		-	-		-	-
5	Repairs and Maintenance		-	-		-	-
6	Duty on Electricity		19.17	738,492		16.13	657,539
7	Depreciation		-	-		-	-
8	<b>TOTAL</b>		<b>22.51</b>	<b>867,448</b>		<b>30.22</b>	<b>1,232,154</b>
	<b>Less:</b>						
9	Credit for Exhaust Steam used in Process		-	-		-	-
10	Other Credits		-	-		-	-
11	<b>COST OF POWER GENERATED</b>		<b>22.51</b>	<b>867,448</b>		<b>30.22</b>	<b>1,232,154</b>
12	<b>Less:</b> Cost of Power Sold		-	-		-	-
13	<b>Add:</b> Cost of Power Purchased		<b>105.64</b>	<b>4,070,245</b>		<b>101.38</b>	<b>4,132,829</b>
14	<b>TOTAL COST OF POWER CONSUMED</b>		<b>128.16</b>	<b>4,937,693</b>		<b>131.60</b>	<b>5,364,983</b>
15	Cost per Unit Average			<b>0.30</b>			0.32
	<b>ALLOCATION</b>						
	Total at item 14 allocated to:						
	White Bagged Sugar (Annexure I)		128.16	4,937,693		131.60	5,364,983
	Self-Consumption		-	-		-	-
	Others:						
	(a) Staff Colony		-	-		-	-
	(b) Office Building		-	-		-	-
	<b>TOTAL</b>	<b>38,529</b>	<b>128.16</b>	<b>4,937,693</b>	<b>40,767</b>	<b>131.60</b>	<b>5,364,983</b>

**HASEEB WAQAS SUGAR MILLS LIMITED**  
**COST AUDIT REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**ANNEXURE IX**

**STATEMENT SHOWING OTHER FACTORY OVERHEADS**

Sr. N <sup>o</sup> .	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)
	<b>TOTAL SUGAR PRODUCED (in M. Tons.)</b>	<b>38,529</b>		<b>40,767</b>	
	<b>COST</b>				
1	Rent, Rates and Taxes	-	-	-	-
2	Printing and Stationery	692,722	17.98	724,082	17.76
3	Postage and Telegram	-	-	-	-
4	Telephone, Fax and Telex	-	-	-	-
5	Travelling and Conveyance	-	-	-	-
6	Subscriptions, Books and Periodicals	-	-	-	-
7	Entertainment	977,935	25.38	809,120	19.85
8	Vehicle Running Expenses	-	-	-	-
9	Freight and Octroi	402,818	10.46	621,206	15.24
10	Welfare Expenses	-	-	-	-
11	Fire Fighting Cost	-	-	-	-
		<b>2,073,475</b>	<b>53.82</b>	<b>2,154,408</b>	<b>52.85</b>
12	<b>OTHER EXPENSES</b>				
	Mud Handling	-	-	-	-
	Ash Handling	-	-	-	-
	Bagasse Handling	-	-	-	-
	Sugar Handling	-	-	-	-
	Ceremonial Expenses	-	-	-	-
	Gardening Expenses	-	-	-	-
	Guest House Expenses	-	-	-	-
	Others	2,116,437	54.93	1,956,609	48.00
		<b>2,116,437</b>	<b>54.93</b>	<b>1,956,609</b>	<b>48.00</b>
	<b>TOTAL</b>	<b>4,189,912</b>	<b>108.75</b>	<b>4,111,017</b>	<b>100.84</b>
	<b>ALLOCATION</b>				
	White Bagged Sugar (Annexure I)	4,189,912	108.75	4,111,017	100.84
	Electric Power House (Annexure VIII)	-	-	-	-
	Steam Generation (Annexure VII)	-	-	-	-
	Others				
	(a) Staff Colony	-	-	-	-
	(b) Office Building	-	-	-	-
	<b>TOTAL</b>	<b>4,189,912</b>	<b>108.75</b>	<b>4,111,017</b>	<b>100.84</b>

**CHIEF EXECUTIVE**  
LAHORE: March 16, 2009

**CHIEF ACCOUNTANT**

**HASEEB WAQAS SUGAR MILLS LIMITED**  
**COST AUDIT REPORT**  
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ANNEXURE X

**STATEMENT SHOWING ADMINISTRATIVE EXPENSES**

Sr. N <sup>o</sup> .	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)
	<b>TOTAL SUGAR PRODUCED (in M. Tons.)</b>	<b>38,529</b>		<b>40,767</b>	
	<b>COST</b>				
1	Salaries, Wages and Benefits (Annex. 6)	6,445,343	167.29	6,381,593	156.54
2	Directors' Remuneration	4,200,000	109.01	3,600,000	88.31
3	Rent, Rates and Taxes	1,274,370	33.08	906,420	22.23
4	Insurance	3,589,984	93.18	3,065,900	75.21
5	Water, Gas and Electricity	757,596	19.66	1,206,967	29.61
6	Printing and Stationery	374,146	9.71	397,180	9.74
7	Postage and Telegram	97,014	2.52	62,034	1.52
8	Telephone, Fax and Telex	1,192,130	30.94	1,025,496	25.16
9	Repairs and Maintenance	3,021,977	78.43	1,960,215	48.08
10	Travelling and Conveyance	447,621	11.62	1,622,849	39.81
11	Vehicle Running Expenses	2,187,196	56.77	2,335,246	57.28
12	Subscriptions, Books and Periodicals	784,269	20.36	1,114,970	27.35
13	Entertainment	355,232	9.22	375,166	9.20
14	Advertising	200,563	5.21	299,398	7.34
15	Legal and Professional	3,141,680	81.54	2,313,169	56.74
16	Auditors' Remuneration	625,000	16.22	250,000	6.13
17	Depreciation	3,650,054	94.74	5,891,083	144.51
18	Miscellaneous	66,849	1.74	117,282	2.88
	<b>TOTAL</b>	<b>32,411,024</b>	<b>841.22</b>	<b>32,924,968</b>	<b>807.65</b>

**CHIEF EXECUTIVE**  
LAHORE: March 16, 2009

**CHIEF ACCOUNTANT**

**HASEEB WAQAS SUGAR MILLS LIMITED**  
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ANNEXURE XI

**STATEMENT SHOWING SELLING EXPENSES**

Sr. N <sup>o</sup> .	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)
	<b>TOTAL SUGAR PRODUCED (in M. Tons.)</b>	<b>38,529</b>		<b>40,767</b>	
	<b>COST</b>				
1	Salaries, Wages and Benefits (Annex. 6)	-	-	-	-
2	Travelling and Conveyance	-	-	-	-
3	Commissions	-	-	-	-
4	Freight Outwards	-	-	-	-
5	Stacking/Restacking Expenses	-	-	-	-
6	Loading/Unloading Expenses	-	-	-	-
7	Export Expenses	-	-	-	-
8	Vehicle Running Expenses	-	-	-	-
9	Advertising for Sales Promotion	-	-	-	-
10	Others	-	-	-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CHIEF EXECUTIVE**  
 LAHORE: March 16, 2009

**CHIEF ACCOUNTANT**

**HASEEB WAQAS SUGAR MILLS LIMITED**  
**COST AUDIT REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**RECONCILIATION OF COST ACCOUNTS WITH FINANCIAL ACCOUNTS**

	<b>Current Year</b>	<b>Previous Year</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>TOTAL COST TO MAKE AND SELL (AS PER ANNEXURE I)</b>	<b>1,312,143,342</b>	1,143,865,350
<b>Less:</b>		
Administrative Expenses	32,411,024	32,924,968
Selling and Distribution Cost	-	-
Finance Cost	108,982,323	108,616,853
Sales Tax/Excise Duty	152,067,883	138,912,367
Closing Stock ( <i>Molasses</i> )	834,242	10,389,634
	<b>294,295,472</b>	290,843,822
<b>Add:</b>		
Realisable Value of By- Products	108,379,555	3,540,132
Opening Stock ( <i>Molasses</i> )	10,389,634	17,635,577
	<b>118,769,189</b>	21,175,709
<b>TOTAL COST OF SALES (AS PER FINANCIAL STATEMENTS)</b>	<b>1,136,617,059</b>	874,197,237

**CHIEF EXECUTIVE**  
LAHORE: March 16, 2009

**CHIEF ACCOUNTANT**