

NOON SUGAR MILLS LIMITED

COST AUDIT REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2009

**JAVOID IQBAL AND CO;
COST AND MANAGEMENT ACCOUNTANTS**

**384 - SAMANABAD, LAHORE
Ph: 042 7531110, 7587137, Fax: 042 7520121 E-mail: jikhan@wol.net.pk**

COST AUDITORS' REPORT TO THE DIRECTORS

We, Javaid Iqbal & Co; Cost and Management Accountants having been appointed to conduct an audit of cost accounts of **Noon Sugar Mills Limited** have examined the books of account and the statements prescribed under clause (c) of sub-section (1) of section 230 of the Companies Ordinance, 1984 and the other relevant record for the year ended on September 30, 2009 and report that: –

- 1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of this audit.
- 2) In our opinion: –
 - a) Proper cost accounting records as required by clause (e) of subsection (1) of section 230 of the Companies Ordinance, 1984 (XLVII of 1984), and as required by the Companies (Audit of Cost Accounts) Rules, 1998 have been kept by the company;
 - b) Proper returns, statements and schedules for the purpose of audit of cost accounts have been obtained from offices not visited by us.
 - c) The said books and records give the information required by the rules in the manner so required; and
- 3) In our opinion and, subject to best of our information:-
 - a) The annexed statement of capacity utilization and stock-in trade are in agreement with the books of account of the company and exhibit true and fair view of the company's affairs; and
 - b) Cost accounting records have been properly kept so as to give a true and fair view of the cost of production, processing, manufacturing and marketing of the undermentioned product of the company, namely:-
 - i) Sugar

The matters contained in the Annexures form part of this report.

Dated: January 20, 2010	Javaid Iqbal & Co;
Lahore	Cost and Management Accountants

NOON SUGAR MILLS LIMITED
COST AUDIT FOR THE YEAR ENDED SEPTEMBER 30, 2009

MATTERS FOR THE ATTENTION OF THE BOARD OF DIRECTORS

[As required by rule 4(3) of Companies (Audit of Cost Accounts) Rules, 1998]

1- CAPACITY

Noon Sugar Mills Limited (The Company) is mainly engaged in the manufacturing of Sugar. The company is also involved in the distillation of by-product of Sugar i.e. Mollasses. Spirit is the only final product from the distillery plant. Capacity and utilizations are as follows:

	SUGAR CANE CRUSHING	SPIRIT
Licensed and installed		
2009	1,280,000 M.tons for 160 days	60,000 Litres per day
2008	1,280,000 M.tons for 160 days	60,000 Litres per day
2007	400,000 M.tons for 160 days	60,000 Litres per day
Utilized/Actual (crushing) production		
2009	358,130 M.tons	7,350 thousands Liters
2008	554,284 M.tons	22,825 thousands Liters
2007	467,269 M.tons	14,436 thousands Liters
Days worked		
2009	98	180
2008	123	358
2007	140	296

The company is not engaged in any other activity besides the manufacturing of sugar and spirit.

2- COST ACCOUNTING SYSTEM

Sugar manufacturing is carried out in a simple processing system starting from cane crushing to extraction of juice and conversion into white sugar in one-go. The company has a fully integrated cost accounting system under which separate cost accounting

records are not kept rather cost accounting records are integrated in the financial accounting ledgers to extract costs of the relevant products.

Standard costing is not operative within the company.

Cost accounting system adopted by the company is operating satisfactorily and is in accordance with the generally acceptable cost accounting principles.

3- PRODUCTION

		<u>2009</u>	<u>2008</u>	<u>2007</u>
a) Production				
Sugar (M.tons)	From sugar cane	30,965	44,497	35,194
	From raw sugar	Nil	Nil	Nil
	Total	30,965	44,497	35,194
<hr/>				
Spirit (Litres)		7,349,570	22,825,000	14,435,570

b) Percentage with installed capacity

Sugar-cane crushing	27.98	43.03	116.82
Spirit	33.56	103.94	65.92

Actual sugarcane crushing and spirit production is lower as compared to last year due to shortage of raw material and increase in price. Overall sugarcane crushing and spirit production decreased by 35.39% and 67.80% respectively as compared to year 2008.

MACHINE HOURS UTILIZATION

	2009	2008	2007
Available hours	2,335	2,933	3,330
Utilized hours	1,860	2,580.11	2,759.65
Percentage	79.66	87.96 %	82.87 %

4- RAW MATERIAL

a) Consumption of major Raw Material

	2009		2008		2007	
	Quantity M.tons	Value Rs.	Quantity M.tons	Value Rs.	Quantity M.tons	Value Rs.
(a) Sugar cane	358,138	712,741,250	554,284	824,940,710	467,296	701,758,064
Raw sugar	-	-	-	-	-	-
(b) Transportation	-	151,202,920	-	12,396,426	-	36,992,528
Variety premium	-	NIL	-	NIL	-	NIL

There is no other raw material besides sugarcane.

Variance

- Average sugarcane purchase price of Rs.1,990.13 per M. ton is higher by Rs. 501.83 per M.ton as compared to last year's Rs. 1488.30 per M.ton primarily due to shortage of sugarcane and increase in price of sugarcane in the market.
- During the crushing season due to shortfall in sugarcane production and increase in fuel price, payment for transport subsidy considerably increased as compared to last year, which resulted in increase in total cost of transportation by Rs. 399.83 per M.ton i.e. from Rs 22.36 per M.ton in the year 2008 to Rs. 422.19 per M.ton in the current year.

b) Consumption of sugar cane per unit of production:

	ACTUAL (Kg)			STANDARD (Kg)		
	2009	2008	2007	2009	2008	2007
Sugarcane (per kg of sugar)produced	11.57	12.46	13.28	N/A	N/A	N/A

- c) Consumption of sugar cane depends on the quality of sugarcane, hence, it is very difficult to consider a standard consumption. The above variation 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 passbook in which each lot of purchase is entered and a Cane Procurement Receipt (CPR) is issued and the weekly Purchase Summaries (PS) are fed in the computer data for updating the journal vouchers in cane purchase account. All expenses relating to cane purchases i.e. transportation, loading/unloading, market fee, road cess, salaries and wages are allocated to raw material cost.

5- WAGES AND SALARIES

Annexure-6

a) Categories of salaries and wages	2009 Rupees	2008 Rupees	2007 Rupees
i Direct labour cost of production	57,004,319	53,583,915	60,660,816
ii Indirect labour cost of production	3,000,227	2,820,206	3,192,675
iii Employees' cost of administration	25,505,607	23,819,330	22,240,121
iv Employees' cost of selling and distribution	852,520	543,090	545,756
v Total employees' cost	86,362,673	80,766,541	86,639,368

Bonus to workers and employees included in [(i) to (iv) above]	10,695,027	11,784,724	11,148,002
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(b) Salaries and perquisites of directors and chief executive: 6,188,000 5,132,000 5,052,000

(c) Total maximum man-days of direct labour available were 160 days for crushing but actually 98 days were worked during the year. (2008: 123)

(e) Direct labour cost per M.ton of production

2009	2008	2007
Rs./M. ton	Rs./M. ton	Rs./M. ton
<u>1,840.93</u>	<u>1,204.21</u>	<u>1,723.61</u>

(f) Increase in direct labour cost per M.ton is due to decrease in quantity produced and increase in wages during the year as compared to last year.

(g) N/A

6- STORES AND SPARES

	2009	2008	2007
	Rs/kg	Rs/kg	Rs/kg
a) Stores and spares per unit of sugar output	<u>1.21</u>	<u>0.94</u>	<u>0.70</u>

Variance:

Increase in stores and spares per unit of output of sugar is due to increase in price and decrease in production as compared to last year.

b) 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 moving average cost except in transit items which are valued at cost accumulated to the balance sheet date.

c) Percentage of slow moving inventory as on September 30, 2009 is approximately 15% of the total inventory value. (2008: 15%)

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 the different products. Currently two products i-e “sugar and spirit” are being produced hence the amount of depreciation is charged to both cost centers on the basis of management’s best judgment.

8- OVERHEADS

Factory Overheads

(Annexure 9)

Major items of Factory Overhead (salaries, wages and benefits, process material, depreciation, water and gas, repair and maintenance and electric power etc.) are directly charged to cost of production (Annexure 1). Detail of other factory overheads are given at Annexure 9 and are summarized as follows:

	2009	2008	2007
	Rs.	Rs.	Rs.
Rent, rates and taxes	314,573	314,573	314,573
Printing and stationery	1,091,128	1,419,082	1,184,350
Telephone, fax and courier	71,642	86,138	122,436
Travelling and conveyance	632,556	673,403	591,841
Vehicle running	3,337,545	3,666,361	2,830,397
Fire fighting and others	2,326,178	4,475,551	2,720,538
Total	7,773,622	10,635,108	7,764,135
Cost per M.ton of sugar produced:	251.05	239.01	220.61

Variance:

As compared to last year, there is decrease in factory overheads on an overall basis mainly due to decrease in printing and stationery and fire fighting and other expenses. However, cost per unit of output of sugar has slightly increased by Rs. 12.04 per M.ton i.e from Rs. 239.01 per M.ton in the year 2008 to Rs. 251.05 in the current year due to decrease in production.

Administration overheads

(Annexure-10)

These expenses are allocated to both the production units i.e. (sugar and distillery) on the basis of the management's best judgment, determined on the basis of operating activity carried out at each unit.

	2009	2008	2007
	Rs.	Rs.	Rs.
Salaries, wages and benefits	25,505,607	23,819,330	22,240,121
Rent, rates and taxes	2,384,725	2,383,164	2,094,685
Water, gas and electricity	3,937,472	3,392,055	2,848,933
Printing and stationery	505,248	471,290	497,255
Postage and courier	155,285	244,158	230,309
Telephone, fax and internet	539,473	534,475	580,325
Repair and maintenance	2,015,741	1,959,912	1,663,940
Travelling and conveyance	681,210	759,040	1,151,480
Subscription, books and periodicals	321,282	255,480	393,414
Entertainment	1,200,226	1,005,774	740,043
Advertising	67,088	126,735	75,913
Legal and professional charges	892,088	377,588	510,720
Auditors' remuneration	297,000	240,300	227,625
Vehicle running and maintenance	3,624,026	3,534,720	3,178,184
Charity and donation	147,390	18,500	77,250
Depreciation	4,425,601	4,903,085	4,975,000
Others	738,667	920,894	831,657
	47,438,129	44,946,500	42,316,854

Cost Per M.Ton of Sugar Sold **1,222.76** **928.94** **1582.81**
Variance:

As compared to last year, the increase in administration overhead primarily relates to increase in salaries, wages and benefits, water, gas and electricity, legal and professional charges resulting from:

- a) annual increments;
- b) increase in utility rates; and
- c) increase in solicitors' fees

However, the substantial decrease in production during the year has increased the administration cost per M.ton as compared to the previous year (Annexure-10).

Selling and distribution expenses **(Annexure 11)**

	2009	2008	2007
	Rs.	Rs.	Rs.
Salaries, wages and benefits	852,520	543,090	545,756
Travelling and conveyance	2,238	6,150	5,896
Loading/unloading	668,393	932,209	301,239
Commission	1,419,570	1,691,340	1,341,990
Depreciation	89,872	81,415	71,331
Other expenses	199,689	1,472,753	90,820
Total	<u>3,232,282</u>	<u>4,726,957</u>	<u>2,357,032</u>
 Cost per M.Ton of sugar sold:	 83.32	 97.69	 88.16

Variance:

As compared to last year, the decrease in the above expenses is primarily due to the decrease in commission and other expenses resulting from decrease in sales. Cost per M.ton of sugar sold has decreased by Rs. 14.37 Per M.ton i.e from Rs. 97.69 per M.ton in the year 2008 to Rs. 83.32 in the current year due to decrease in overall sales as compared to last year.

Financial charges**125,345,228 178,245,320 47,297,217****Variance**

As compared to last year, the decrease in the financial charges has resulted primarily due to decrease in the markup paid during the year resulting because of decrease in the principal outstanding balances of long term and short term loans and advances.

9- ROYALTY/TECHNICAL AID PAYMENTS

Not applicable.

10- ABNORMAL NON-RECURRING FEATURES

Not applicable.

11- COST OF PRODUCTION

	2009		2008		2007	
	SUGAR	SPIRIT	SUGAR	SPIRIT	SUGAR	SPIRIT
Total cost of production (Rs.)	1,052,494,333	214,828,000	1,028,063,879	418,312,000	828,359,369	311,966,625
Total units kg/litres	30,965,000	7,349,570	44,497,000	22,825,000	35,193,750	14,435,570
Per unit cost of production before adjustment of molasses	37.10		25.47		25.84	-
Per unit cost of production after adjustment of molasses	33.99	29.23	23.10	18.33	23.54	21.61

Variance:

As compared to last year, the unit cost of sugar and spirit produced has increased due to shortage of raw material and increase in price of sugarcane, which has resulted in decrease in quantity produced.

12- SALES

PRODUCT	QUANTITY	VALUE Rs.	AVERAGE Rs/per kg
(SUGAR)			
Sales 2009	38,795.85 M. Ton	1,463,811,000	37.73
Sales 2008	48,384.85 M. Ton	1,228,982,000	25.40
Sales 2007	26,735.75 M. Ton	746,793,000	27.93
(SPIRIT)	^^		
Sales 2009	8.91 million Litres	347,161,000	38.95
Sales 2008	23.94 million Litres	690,457,000	28.84
Sales 2006	15.98 million Litres	424,385,245	26.56

13- PROFITABILITY

	2009		2008		2007	
	SUGAR	SPIRIT	SUGAR	SPIRIT	SUGAR	SPIRIT
Operating profit/(loss) per kg/Litre	2.91	7.53	(1.03)	6.83	(1.02)	0.74

Variance:

As compared to last year, profitability of sugar increased mainly due to increase in selling price of sugar.

14- COST AUDITOR'S OBSERVATIONS AND CONCLUSIONS**a) Matters of distribution of administrative overheads to sugar and spirit**

As reported previously, the relative allocation of electricity to sugar, distillery and administrative overheads is neither based on actual units

consumed nor on technical estimates. However, management believes that allocation is based on best judgment and is appropriate in the given circumstances as it is difficult to calculate the allocation on the basis of actual units consumed or technical estimates.

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

Nil

c) Cases where the company's funds have been used in a negligent or inefficient manner

Nil

d) Factors, which could have been controlled but have not been done resulting in increase in the cost of production

Nil

e) 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 estimates on an overall basis are made for sale/ purchase/expenses to manage the production activity.

An independent and effective internal audit function is carried out by professional staff.

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

An independent and effective internal audit function is carried out by the company's professional staff which is monitored by the head office.

f)

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:

a & b) Cost reduction and increased productivity

Nil

c) Key limiting factors causing production bottlenecks

Limited supply of sugarcane during the crushing season.

d) Improved inventory policies,

Nil

e) Energy conservancy

Nil

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. During the year no addition to plant and machinery was made.

f) Other observations

i) Cost Accounting System

Company has one cost center i.e. Production Department and two service centers, Steam Generation and Electricity Generation. An appropriate basis for allocation of direct and indirect departmental expenses to production and service departments should be determined.

15 Reconciliation with Audited Financial Statements

All the amounts and quantities mentioned in this Cost Audit Report and annexures have been compared with the financial statements audited by the auditor appointed under section 252 of the Company Ordinance 1984 and the results shown by the financial and cost accounts are in agreement with each other, hence, submission of a Supplementary Report to the directors on the reconciliation with financial accounts is not required.

GENERAL INFORMATION

A- COMPANY INFORMATION

1- NAME OF THE COMPANY	NOON SUGAR MILLS LIMITED
2- DATE OF INCORPORATION	1 ST APRIL, 1964
3- LOCATION OF REGISTERED OFFICE	1 st FLOOR, ALFALAH BUILDING SHAHRAH-E-QUAID-E-AZAM LAHORE
LOCATION OF HEAD OFFICE	2 nd FLOOR, MUSTAFA CENTER, 45-F, MAIN MARKET, GULBERG, LAHORE
4- LOCATION OF FACTORY	BHALWAL, DISTRICT SARGODHA
5- PRODUCTS OTHER THAN SUGAR BEING MANUFACTURED	SPIRIT
6- INSTALLED CANE CRUSHING CAPACITY	1,280,000 M. TONS (BASED ON 160 DAYS)

B- PRODUCTION DATA (RT-4)

S. NO		CURRENT YEAR	PREVIOUS YEAR
1 (a)	CANE CRUSHED		
	Date started	27-11-2008	26-11-2007
	Date finished	04-03-2009	27-03-2008
	Duration of run days	98	123
	Total number of hours in duration	2,334.5	2,933
	Total number of hours actual crushing	1,860.07	2,580.110
	Total number of hours lost	474.430	352.890
	Total cane milled (M.tons)	358,129.771	554,283.169
	Converted maunds		
	Total mixed juice obtained (M.tons)	330,006.670	572,901.100
1 (b)	GUR MELTED	NIL	NIL
1 (c)	RAW SUGAR PROCESSED (M.tons)	NIL	NIL
2-	JUICE AND ADDED WATER		
	Average mixed juice obtained (% of cane)	92.147	103.358
	Average added water (% of cane)	23.580	34.078
3-	SUGAR MADE		
	Total sugar bagged of all grade (100 kg)	NIL	NIL
	Total sugar bagged of all grade (50 kg)	619,300	889,940
	Sugar bagged (tons)	30,965.000	44,497.000
	Sugar in process (tons)	51.380	38.150
4-	MOLASSES EXTRACTED		
	Total molasses sent out (tons)	17,837.830	30,374.75
	Molasses in process (tons)	5.590	4.980
5-	RECOVERY PERCENTAGE		
	Laboratory test percentage recovery of sugar cane	8.650	8.026
	Average recovery of marketable sugar (% of cane)	4.981	5.480
	Average production of final molasses (% of cane)		
6-	BY PRODUCTS		
	Bagasse (% of cane)	31.433	30.719
	V.F Cake (% of cane)	3.000	3.000
7-	CLARIFICATION PROCESS		D R P (Defecation Remelt Phosphatation)

NOON SUGAR MILLS LIMITED
STATEMENT OF CAPACITY UTILISATION UNDER RULE 4(1) (a)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Production unit	Installed capacity	Utilized capacity
Sugarcane crushing	M. Tons	1,280,000 (Based on 160 days)	358,130 (98 days)
Spirit	Litres	60,000 per day	7,349,570 (365 days)

Chief Executive

Director Finance

NOON SUGAR MILLS LIMITED
STATEMENT OF STOCK IN TRADE UNDER RULE 4 (1) (b)
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Quantity M. Tons	Cost Rupees
Work in process		
Sugar	51.380	1,736,000
Molasses	<u>5.590</u>	<u>28,000</u>
	<u>56.97</u>	<u>1,764,000</u>
Finished goods		
White sugar	<u>2,751</u>	<u>93,667,000</u>

Chief Executive

Director Finance

NOON SUGAR MILLS LIMITED

Annexure-1

SATEMENT SHOWING COST OF PRODUCTION AND SALE OF

WHITE BAGGED SUGAR FOR THE YEAR ENDED SEPTEMBER 30,2009

Quantitative Data - Bagged Sugar

	2009	2008
Opening Stock	(M.Tons) 10,582.15	14,470.00
Production	(M.Tons) 30,965.00	44,497.00
Closing Stock	(M.Tons) 2,751.30	10,582.15
Sales	(M.Tons) 38,795.85	48,384.85

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)	886,130,488	28,617.16	862,708,360	19,388.01
b	Beet (Annex.4)	-	-	-	-
c	Gur	-	-	-	-
d	Raw Sugar	-	-	-	-
e	Process Material (Annex.5)	8,921,854	288.13	8,082,125	181.63
2	Salaries/Wages and benefits (Annex.6)	47,342,117	1,528.89	45,125,748	1,014.13
3	Consumable Stores	37,499,208	1,211.02	41,913,131	941.93
4	Reparis and maintenance	21,929,236	708.19	18,682,911	419.87
5	UTILITIES				
	Steam (Annex.7)	8,657,125	279.58	10,025,742	225.31
6	Electric Power (Annex 8)	23,024,680	743.57	22,853,445	513.60
7	Water & Gas	80,908	2.61	89,868	2.02
8	Insurance	2,440,835	78.83	2,182,594	49.05
9	Depreciation	97,201,802	3,139.09	99,103,634	2,227.20
10	Other Factory Overheads (Annex.9)	7,773,622	251.05	10,635,108	239.01
11	Total Cost.	1,141,001,875	36,848.11	1,121,402,666	25,201.76
12	Add: Opening Stock of W.I.P	895,000		1,136,000	
13	Less: Closing Stock of W.I.P	(1,764,000)		(895,000)	
14	Total Cost of goods Manufacturing	(869,000)		241,000	
		1,140,132,875	36,820.05	1,121,643,666	25,207.17
15	Less: Realisable value of By-Products:				
	Molasses.	(96,194,630)	(2,479.51)	(103,211,525)	(2,133.14)
	Bagasse.	-	-	(1,916,084)	(39.60)
		(96,194,630)	(2,479.51)	(105,127,609)	(2,172.74)
16	Net Cost of goods Manufacturing	1,043,938,245	33,713.49	1,016,516,057	22,844.60
17	Add: Packing Material and Handling	8,556,088	276.31	11,547,822	259.52
18	Net cost of Bagged Sugar	1,052,494,333	33,989.81	1,028,063,879	23,104.12
19	* Add: Excise Duty / sales tax.	-	-	-	-
20	Total Cost of Bagged Sugar	1,052,494,333	33,989.81	1,028,063,879	23,104.12
21	** Add: Opening Stock of Sugar	245,383,000		341,150,000	
22	** Less: Closing Stock of Sugar	(93,667,000)		245,383,000	
		151,716,000		95,767,000	
23	Cost of Sales.	1,204,210,333	31,039.67	1,123,830,879	23,226.92
24	Administrative Expenses (Annex 10)	47,438,129	1,222.76	44,946,500	928.94
25	Selling and Distribution Expenses (Annex 11)	3,232,282	83.32	4,726,957	97.69
26	Financial Expenses	125,345,228	3,230.89	178,245,320	3,683.91
27	Other Charges	5,865,062	151.18	907,112	18.75
28	other inome	(6,387,928)	(164.65)	(25,082,740)	(518.40)
	TOTAL COST TO MAKE AND SELL	1,379,703,106	35,563.16	1,327,574,028	27,437.80

Variance:

Detail variances are explained at Annexure-1 (A).

* Sales tax amounting to Rs. 161,765,000 (2008: Rs. 162,416,000) deposited in government treasury.

** As per audited accounts

NOON SUGAR MILLS LIMITED

STATEMENT SHOWING COST OF PRODUCTION AND SALE OF
WHITE BAGGED SUGAR FOR THE YEAR ENDED SEPTEMBER 30, 2009

ANALYSIS OF MAJOR ITEM WISE VARIANCES

The total cost per ton to manufacture show a increase of Rs. 11,646.35 during the year as compared to last year i.e. Rs. 36,848.11 per M.Ton (2008:Rs. 25,201.76) inspite of significant decrease in production during the year primarily because of the substantial increase in cost of sugarcane, salaries and wages and increase in repair & maintenance. The cost of sale increased by Rs. 7,813 per M.Ton as compared to the last year i.e. Rs 31,039.67 per M.Ton for the year (2008:Rs. 23,226.92 per M.Ton). Cost to make and sell has increased by Rs. 8,125 per M.Ton.

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 (Annexure 3)	28,617.16	19,388.01	(9,229.15)	N-1
(b) Beet (Annexure 4)	-	-	-	
(c.) Gur	-	-	-	
(d) Raw Sugar *	-	-	-	
(e) Process Material (Annexure 5)	288.13	181.63	(106.49)	N-2
Salaries/Wages & benefits (Annexure 6)	1,528.89	1,014.13	(514.76)	N-3
Consumable Stores	1,211.02	941.93	(269.09)	N-4
Repairs and Maintenance	708.19	419.87	(288.33)	N-5
Utilities:				
Steam (Annexur 7)	279.58	225.31	(54.26)	N-6
Electric Power (Annexure 8)	743.57	513.60	(229.98)	N-7
Water Gas	2.61	2.02	(0.59)	N/A
Insurance	78.83	49.05	(29.78)	N-8
Depreciation	3,139.09	2,227.20	(911.89)	N-9
Other Factory Overheads (Annexure 9)	251.05	239.01	(12.04)	N-10
Realisable value of By-Products:				
Molasses	2,479.51	2,133.14	(346.37)	N-11
Bagasse	-	39.60	39.60	
Others (Mud)	-	-	-	
Packing Material & Handling	276.31	259.52	(16.80)	N-12
Administrative Expenses (Annexure 10)	1,222.76	928.94	(293.83)	N-13
Selling & Distribution Expenses (Annexure 11)	83.32	97.69	14.38	N-14
Financial Expenses	3,230.89	3,683.91	453.01	N-15
Other Charges	151.18	18.75	(132.43)	N-16

Cost per ton has been taken from Annexure-1

Cost to make and sell - per M.Ton	<u>35,563.16</u>	<u>27,437.80</u>	<u>(8,125.36)</u>
Cost of sales - per M.Ton	31,039.67	23,226.92	(7,812.75)
Operating expenses including financial expenses (item # 24-27 Annex-1) - per M.Ton	4,688.15	4,729.29	41.14
	<u>35,727.82</u>	<u>27,956.20</u>	<u>(7,771.61)</u>
Other income	(164.65)	(518.40)	(353.75)
Sugar - per M.Ton	<u><u>35,563.16</u></u>	<u><u>27,437.80</u></u>	<u><u>(8,125.36)</u></u>

- N-1 The cost of sugarcane per M.ton has increased mainly due to shortage of sugarcane and increase in price during the year.**
- N-2 Increase in cost of process material consumed is due to increase in price of process material specially increase in price of Phosphoric acid Rs. 66.14 per M.ton of sugar (2008: Rs. 23.18).**
- N-3 The increase in salaries, wages and benefits cost per M.ton of sugar is due to decrease in production of sugar as compared to last year.**
- N-4 Increase in cost per M.ton of sugar for consumable stores as compared to the previous year is mainly due to decrease in sugar produced during the year.**
- N-5 Increase in repair and maintenance per M.ton of sugar as compared to the last year is mainly due to decrease in production of sugar during the year as compared to last year.**
- N-6 Steam cost per M.ton of sugar show a nominal increase mainly due to decrease in production as compared to last year.**
- N-7 Increase in cost per unit of electricity consumed is due to increase in rates as compared to the previous year and decrease in production of sugar during the year as compared to last year.**
- N-8 Increase in insurance cost per M.ton of sugar is due to substantial decrease in sugar produced during the year as compared to previous year.**
- N-9 The substantial increase in depreciation cost per M.ton of sugar during the year as compared to the last year is mainly due to decrease in production of sugar during the year as compared to last year.**
- N-10 Increase in factory overheads per M.ton of sugar is primarily due to decrease in quantity produced during the year as compared to the previous year.**
- N-11 Increase in the realisable value of molasses 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 is due to increase in price of packing material and handling charges and decrease in production of sugar as compared to last year.**
- N-13 Increase in administrative expenses per M.ton of sugar is basically due to increase in wages and salaries and due to decrease in quantity produced and sold as compared to the previous year.**
- N-14 Nominal decrease in per M.ton of selling and distribution expenses basically relates to decrease in quantity sold as compared to the previous year.**
- N-15 Financial expenses per M.ton of sugar have substantially decreased as compared to the previous year due to decrease in the markup during the year which resulted from decrease in the principal outstanding balances of long term and short term loans and advances.**
- N-16 Increase in cost per M.ton of sugar of other charges is primarily due to decrease in production as compared to the previous year.**

NOON SUGAR MILLS LIMITED

Annexure-2

STATEMENT SHOWING COST OF SUGARCANE PRODUCED FOR THE YEAR ENDED SEPTEMBER 30,2009

Sr.No.	Particulars	Current Year		Previous Year	
		Quantity	Amount Rs.	Quantity	Amount Rs.
(1)	(2)	(3)	(4)	(5)	(6)
	LEASE MONEY		142,500		142,500
1	<u>Seeds and Other Inputs:</u>				
	Seed		81,020		43,680
	Fertilizers, herbicides etc.		612,635		502,774
	Insecticides.				
	Abianan/Water Charges.		432,436		296,402
	Total Cost of Inputs.		1,126,091		842,856
2	<u>Labour Cost:</u>				
	Land preparation Plantation.				
	Maintenance of cane crop/rations		396,310		304,237
	Operation of Tractors.				
	Harvesting		290,984		250,766
	Total Labour Cost.		687,294		555,003
3	<u>Other Cost:</u>				
	Fuel for Tractors operation				
	Maintenance and over haul of Tractors.		526,385		382,097
	Insurance.		17,001		14,574
	Interest expenses.				
	Depreciation of equipments		86,534		105,685
	Rent of agriculture equipments (if any)				
	Misc.		183,759		30,205
	Total Other Costs.		813,679		532,561
	Total cost of own production (1+2+3)		2,769,564		2,072,920
	Sales value at controlled price. (Sugarcane + Cane seeds etc)	628.485	(4,045,060)	446.380	(3,979,053)
	(Profit)/Loss on own production.		(1,275,496)		(1,906,133)

NOON SUGAR MILLS LIMITED

Annexure-3

STATEMENT SHOWING COST OF SUGARCANE CRUSHED FOR THE YEAR ENDED SEPTEMBER 30,2009

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	357,509.414		714,016,746	553,837.730		826,846,843
	Sugarcane produced from own farms (Annex.2)	628.485		(1,275,496)	446.380		(1,906,133)
	Less: Loss in transit.	-			-		
	Sugarcane received at factory gate.	358,137.899	1,990.13	712,741,250	554,284.110	1,488.30	824,940,710
2	Commission						
3	Variety premium						
4	Loading / unloading charges			821,378			1,127,243
5	Cane development expenses:			16,335			82,227
	<u>a</u> Salaries and Wages of Supply and Development Staff.						
	<u>b</u> Sugarcane Development Research.						
	<u>c</u> Supply staff and transportation expenses.			1,667,782			1,467,214
	<u>d</u> Other expenditure.						
6	Taxes and Levies:						
	<u>a</u> Cane cess / purchase tax	358,137.899		6,715,087	554,284.110		6,928,553
	<u>b</u> Market committee fee	358,137.899		1,790,688	554,284.110		2,771,418
	<u>c</u> Road cess.						
	<u>d</u> Octroi						
	<u>e</u> Other Levies						
7	Transportation Charges:						
	<u>a</u> Delivery expenses.			2,170,184			4,212,457
	<u>b</u> Transport subsidy			151,202,920			12,396,426
	<u>c</u> Others.						
8	Other Expenditures at Cane Collection Centers:						
	<u>a</u> Salaris and Wages			8,298,200			7,524,115
	<u>b</u> Stores						
	<u>c</u> Repairs and Maintenance.						
	<u>d</u> Others.			706,664			1,257,997
COST OF "SUGARCANE" TRANSFERRED TO PRODUCTION PROCESS (ANNEX.1)		358,137.899	2,474.27	886,130,488	554,284.110	1,556.44	862,708,360

Basis of allocation:

Cost of sugarcane crushed is fully charged to production process

Variance:

As compared to the last year, increase in transport subsidy is mainly due to procurement of raw material from far flung areas.

NOON SUGAR MILLS LIMITED

Annexure .4

STATEMENT SHOWING COST OF BEET CRUSHED FOR THE YEAR ENDED SEPTEMBER 30,2009

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 centre to mill ga						
	b Transporty subsidy						
	c Others.						
8	Other Expenditures at Beet Collection Centers:						
	a Salaris and Wages						
	b Stores						
	c Repairs and Maintenance.						
	d Others.						
TOTAL COST OF "BEET" TRANSFERRED TO PRODUCTION PROCESS (ANNEX.1)							

NOT APPLICABLE

NOON SUGAR MILLS LIMITED

Annexure 5

STATEMENT SHOWING COST OF PROCESS MATERIAL CONSUMED FOR THE YEAR ENDED SEPTEMBER 30,2009

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)		30,965.00		44,497.00
1	Unslaked Lime	1,268,463	40.96	1,444,322	32.46
2	Phosphoric Acid.	2,047,913	66.14	1,059,442	23.81
3	Filter Acid/Paper	-	-	-	-
4	Sulphur	-	-	-	-
5	Caustic Soda	1,552,659	50.14	1,758,394	39.52
6	Soda Ash	225,920	7.30	176,005	3.96
7	Tri sodium Phosphate.	660	0.02	1,320	0.03
8	Bleaching Powder.	13,637	0.44	17,226	0.39
9	Anti Foam	-	-	-	-
10	Formaline.	27,812	0.90	24,137	0.54
11	Laboratory Chemicals.	310,368	10.02	373,228	8.39
12	Filter Cloth	1,581	0.05	2,099	0.05
13	Sewing Thread.	105,918	3.42	136,443	3.07
14	Cleaning Brushes.	-	-	-	-
15	Lubricant and Grease	973,286	31.43	3,459,405	77.74
16	Other (Specify).	3,873,699	125.10	3,753,158	84.35
	Total	10,401,916	335.92	12,205,179	274.29
	Less allocated to _____				
	(a) Electricity generation				
	(b) Steam Generation	922,106	29.78	3,403,642	76.49
	(c) Raw Material				
	(d) Admin Expenses.				
	(e) Selling and Distribution Expenditure				
	(f) Any Other				
	(I) Repair and Maintenance	452,038	14.60	582,969	13.10
	(ii) Packing material	105,918	3.42	136,443	3.07
		1,480,062	47.80	4,123,054	92.66
	Balance transferred to production process	8,921,854	288.13	8,082,125	181.63

Basis of Allocation:

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

Note

This includes cost of furnace oil and firewood used in steam generation transferred to Annexure - 7.

Variance

The overall decrease in cost as compared to last year is due to decrease in production and decrease in the cost of lubricants and grease. However, cost per ton has increased due to decrease in production.

NOON SUGAR MILLS LIMITED

Annexure 6

STATEMENT SHOWING COST OF SALARIES, WAGES AND BENEFITS FOR THE YEAR ENDED SEPTEMBER 30,2009

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)		30,965.00		44,497.00
	COST:				
1	Salaries / Wages:				
	I Officers and Permanent Staff	42,379,777	1,368.63	36,519,351	820.71
	ii Seasonal Staff	4,405,032	142.26	5,327,593	119.73
	iii Daily rated Contract Labour	4,300,633	138.89	5,107,038	114.77
	iv Bonuses.	10,695,027	345.39	11,784,724	264.84
2	Benefits				
	I Medical Expenses	905,408	29.24	976,223	21.94
	ii Canteen Expenses.	491,361	15.87	342,060	7.69
	iii Welfare, Recreation	8,557,925	276.37	6,985,409	156.99
	iv Transport and Travelling	-	-	-	-
	v Education Cess Expenses.	-	-	-	-
	vi Group Insurance/Workmen	821,404	26.53	840,470	18.89
	vii Comp. Insurance	-	-	-	-
	viii Prov.Fund (Employer's contribution).	1,643,894	53.09	1,673,526	37.61
	ix Gratuity	7,193,000	232.29	7,010,790	157.56
	x Other Benefits (if any)	4,969,212	160.48	4,199,357	94.37
	Total	86,362,673	2,789.04	80,766,541	1,815.10
	Less allocated to :				
	(a) Electricity generation	813,462	26.27	722,849	16.24
	(b) Steam Generation	3,154,457	101.87	2,727,172	61.29
	(c) Raw Material	8,298,200	267.99	7,524,115	169.09
	(d) Admin Expenses.	25,505,607	823.69	23,819,330	535.30
	(e) Selling and Distribution Expenditure	852,520	27.53	543,090	12.21
	(f) Any Other Specify.(Farms)	396,310	12.80	304,237	6.84
		39,020,556	1,260.15	35,640,793	800.97
	Balance transferred to production process	47,342,117	1,528.89	45,125,748	1,014.13

Basis of Allocation:

The cost has been allocated on the basis of actual labour cost incurred on each cost centre.

Variance:

Increase in cost in the year 2009 as compared to the year 2008 in absolute terms is primarily due to annual increments and the resultant increase in cost per ton is due to decrease in production.

NOON SUGAR MILLS LIMITED

Annexure 7

STATEMENT SHOWING COST OF STEAM/GENERATED CONSUMED

FOR THE YEAR ENDED SEPTEMBER 30,2009

Sr.No.	Particulars	UNIT	Current	Previous
			YEAR	Year
(1)	(2)	(3)	2009	2008
			(4)	(5)
1	Type of steam boilers used	Water tube	5	5 Nos
2	No. of days worked	Days	98	123
3	Installed Capacity (steam in ton)	201 M.Tones/P.H	472,752	637,632
4	Utilised capacity (steam in tonnes)		227,392	362,307
	Production			
	(a) High pressure steam	M.Tons	Nil	Nil
	(b) Medium pressure steam		227,392	362,307
	(c) Low pressure steam		Nil	Nil
	(d) Less: transit losses		11,370	18,115
	(e) Total		216,022	344,192
	percentage of capacity			
5	utilization (3/2*100)		48.10	56.82

Sr.No.	Particulars	Current Year			Previous Year		
		Quantity	Rate Per	Amount Rs.	Quantity	Rate Per Unit Rs.	Amount Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Water (M.ton)			80,907			89,868
2	Fuels						
	(a) Bagasse (M.ton)	-			-		
	(i) Own						
	(ii) Purchased						
	(b) Pith						
	(c) Coal purchased						
	(d) Furnace Oil (LTR)	27,361	23.33	638,331	128,079	24.533	3,142,167
	(e) Fire Wood (Kg)	64,530	4.40	283,775	67,480	3.87	261,475
	(f) Gas						
	(g) Other fuels if any (to be specified)						
	Quantity of waste heat from the plant, if any						482,350
3	Consumable stores.			995,000			1,128,000
4	Direct salaries, Wages and benefits			3,154,457			2,727,172
5	Repairs and Maintenance			2,870,000			2,602,000
6	Other direct expenses (e.g. diesel inspection fee etc.			38,000			29,000
7	Insurance			173,420			214,974
8	Depreciation			9,080,360			9,374,477
9	Total Cost of Steam Raised			17,314,250			20,051,483
10	Less: Outside sale			17,314,250			-
11	Consumption			17,314,250			20,051,483
12	Add: Cost of Steam purchased			-			-
	Total Cost of Steam Consumed			17,314,250			20,051,483
	ALLOCATION						
	(i) White bagged sugar			8,657,125			10,025,742
	(ii) Electric Power house			8,657,125			10,025,742
	(iii) Others						
	(a) Staff colony						
	(b) Office building etc.						
				17,314,250			20,051,483

Note

- 1 50% cost of water used in production is allocated to steam generation.
- 2 These have been charged on an estimated basis.
- 3 These relate to workers/employees working in steam department.
- 4 This represents actual cost incurred on steam generation.
- 5 Total cost of steam is apportioned equally between the two cost centers, there being no other use of steam.

Variance

As compared to last year, the decrease in the total cost of steam consumed is primarily due to decrease in consumption of furnace oil. However, cost per ton of sugar has increased due to decrease in production during the year.

NOON SUGAR MILLS LIMITED

Annexure 8

**STATEMENT OF COST OF ELECTRIC POWER PURCHASED/GENERATED AND CONSUMED
FOR THE YEAR ENDED SEPTEMBER 30,2009**

		2009	2008
		Current Year	Previous year
1	Installed Capacity (KWH)	34,809,600	24,960,000
2	No. of units generated (KWH)	7,300,466	11,393,790
3	No. of units purchased (KWH)	949,733	967,863
4	Total (2+3)	8,250,199	12,361,653
5	Consumption in Power House including other losses	1,031,275	1,545,207
6	Net units consumed (4-5)	7,218,924	10,816,446
7	Percentage of Consumption and losses to total units Available=5/4*100	12.50%	12.50%
8	Percentage of power generated to installed capacity 2/1	20.97%	45.65%

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	Steam (Annex 7)			8,657,125			10,025,742
2	Consumable Stores.			223,000			218,000
3	Salaries and Wages .			813,462			722,849
4	Other direct expenses (Insurance)			111,563			138,293
5	Repairs and Maintenance.			2,123,000			2,040,000
6	Duty on electricity	7,300,466		388,830	11,393,790		426,732
7	Depreciation			4,635,756			4,755,653
	Total			16,952,736			18,327,269
8	* Less (a) Credit for exhaust steam used in process etc. (b) Other credits, if any						
9	Cost of power generated			16,952,736			18,327,269
10	Less: Cost of Power sold.			-			-
11	Add: Cost of Power purchased			13,303,277			12,576,833
12	Total net cost of power consumed			30,256,013			30,903,902
13	Cost per unit average.						
	Total at item 12 allocated to -----						
	(i) White bagged sugar			23,024,680			22,853,445
	(ii) Self - consumption						
	(iii) Others.(BMR)			-			-
	(a) Administrative			2,558,298			2,539,272
	(b) Distillery			4,673,035			5,511,184
TOTAL				30,256,013			30,903,901

Note

- 1- Cost of steam generation apportioned to electricity generation.
- 2- These have been charged on an estimated basis.
- 3- These relate to workers/employees working in steam department.
- 4- This represents actual cost incurred on electricity generation.
- 5- Duty paid to provincial government on the basis of units generated in-house.
- 6- It represents the net cost of electricity purchased from WAPDA.
- 7- After the cost is apportioned to Distillery (see note-8), out of the remaining balance 90% is charged to production while residual 10% is charged to administration.
- 8- Rs.0.7/- per unit of Distillery's output is apportioned to Distillery plant. This practice is followed consistently.

Variance

There is no significant change in the total cost of electric power purchased/generated/consumed during the year as compared to last year. However, due to decrease in sugar production during the year the cost per ton of sugar has increased as compared to last year.

NOON SUGAR MILLS LIMITED
STATEMENT SHOWING OTHER FACTORY OVERHEADS
FOR THE YEAR ENDED SEPTEMBER 30,2009

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)		30,965.00		44,497.00
	<u>COST</u>				
1	Rent, Rate and Taxes.	314,573	10.16	314,573	7.07
2	Printing and Stationery	1,091,128	35.24	1,419,082	31.89
3	Postage and Telegram	-	-	-	-
4	Telephone Fax and Telex.	71,642	2.31	86,138	1.94
5	Travelling and Conveyance	632,556	20.43	673,403	15.13
6	Subscriptions, Books and Periodicals.	-	-	-	-
7	Entertainment	-	-	-	-
8	Vehicle Running Expenses.	3,337,545	107.78	3,666,361	82.40
9	Security.	-	-	-	-
10	Fire FightingOther Expenses.	2,326,178	75.12	4,475,551	100.58
11	TOTAL	7,773,622	251.05	10,635,108	239.01
	Allocated to _____				
	(a) White bagged sugar	7,773,622	251.05	10,635,108	239.01
	(b) Electric Power House	-	-	-	-
	(c) Steam Generation	-	-	-	-
	(d) Others:	-	-	-	-
	i. Staff Colony	-	-	-	-
	ii. Office building etc.	-	-	-	-
	TOTAL	7,773,622	251.05	10,635,108	239.01

Basis of allocation:

Fully charged to white bagged sugar.

Variance

Factory overhead cost is semivariable. The decrease in factory overhead cost in absolute terms as compared to last year is primarily due to decrease in quantity of sugar produced. However, the cost per M.ton has increased due to overall decrease in the quantity of sugar produced during the year as compared to the last year.

NOON SUGAR MILLS LIMITED

Annexure 10

STATEMENT SHOWING ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED SEPTEMBER 30,2009

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)		38,795.85		48,384.85
2	<u>COST</u>				
	Salaries, Wages and Benefits (Annex 6)	25,505,607	657.43	23,819,330	492.29
	Rent, Rates and Taxes.	2,384,725	61.47	2,383,164	49.25
	Insurance	530,294	13.67	702,998	14.53
	Water, Gas and Electricity	3,937,472	101.49	3,392,055	70.11
	Printing and Stationery.	505,248	13.02	471,290	9.74
	Postage and Telegram	155,285	4.00	244,158	5.05
	Telephone Fax and Telex	539,473	13.91	534,475	11.05
	Repair and Maintenance	2,015,741	51.96	1,959,912	40.51
	Travelling and Conveyance	681,210	17.56	759,040	15.69
	Subscriptions, Books and Periodicals	321,282	8.28	255,480	5.28
	Entertainment	1,200,226	30.94	1,005,774	20.79
	Advertising	67,088	1.73	126,735	2.62
	Legal and Professional Expenditure	892,088	22.99	377,588	7.80
	Auditor's remuneration	297,000	7.66	240,300	4.97
	Vehicle Running Expenses.	3,624,026	93.41	3,534,720	73.05
	Charity and Donation	147,390	3.80	18,500	0.38
	Depreciation	4,425,601	114.07	4,903,085	101.34
	Others.	208,373	5.37	217,896	4.50
	TOTAL	47,438,129	1,222.76	44,946,500	928.94

Basis of Allocation:

Fully charged to white bagged sugar.

Variance:

Administrative expenses have increased in absolute terms due to increase in routine annual increments

The substantial decrease in quantity produced and sold during the year has increased the cost per M.ton as compared to the previous year.

NOON SUGAR MILLS LIMITED
STATEMENT SHOWING SELLING EXPENSES
DURING THE YEAR ENDED SEPTEMBER 30,2009

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)		38,795.85		48,384.85
2	<u>COST</u>				
	Salaries, Wages and Benefits (Annex 6)	852,520	21.97	543,090	11.22
	Travelling and Conveyance	-	0.00	-	0.00
	Commission.	1,419,570	36.59	1,691,340	34.96
	Freight Outwards.	-	-	-	-
	Stacking / Restacking	-	-	-	-
	Loading / Unloading.	668,393	17.23	932,209	19.27
	Export Expenses.	-	-	-	-
	Vehicle Running Expenses.	-	-	-	-
	Advertising for Sales Promotion	-	-	-	-
	Other Expenses.	291,799	7.52	1,560,318	32.25
	TOTAL	3,232,282	83.32	4,726,957	97.69

Basis of Allocation:

Fully charged to white bagged sugar.

Variance:

Selling expenses have decreased in absolute terms due to substantial decrease in sales during the year which also resulted in a nominal decrease in cost per M.ton of sugar as compared to last year.