ERNST & YOUNG

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COST AUDITORS' REPORT TO DIRECTORS

We, Ernst & Young Ford Rhodes Sidat Hyder, having been appointed to conduct an audit of cost accounts of **Shakarganj Mills Limited** have examined the books of accounts and the statements prescribed under clause (e) of sub-section (1) of section 230 of the Companies Ordinance, 1984 and the other relevant record for the year ended on 30 September 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 these rules , have been kept by the company ; and

   b) the said books and records give the information required by the rules in the manner so required.

3. in our opinion and, subject to best of our information:

   a) the annexed statement of capacity utilization and stock-in-trade are in agreement with the books of account of the Company and exhibit true and fair view of the Company's affairs; and

   b) cost accounting records have been properly kept so as to give a true and fair view of the cost of production, processing, manufacturing and marketing of the under mentioned product of the company, namely:-

      - White Sugar

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

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Lahore: 30 March 2010

COMPANY INFORMATION		
1	Name of the Company	Shakarganj Mills Limited
2	Date of incorporation	20 September 1967.
3	Location of registered office	Shakarganj Mills Limited 4th Floor, Crescent Standard Tower 10-B, Block-E-11, Main Boulevard, Gulberg-111 Lahore-Pakistan
4	Location of factory / factories	a) Toba Road, Jhang. b) 57 KM Jhang Sargodha Road Bhone c) 8 KM 18 Hazari Layyah Road, Dargai Shah
5	Products other than sugar being manufactured	a) Ethanol b) Particle board c) Yarn d) Power
6	Installed cane crushing capacity in tonnes	20,000 Tonnes extendable to 26,000 Tonnes

1. Capacity

1.1 Sugar production capacity

Please refer 'Statement of Production Capacity' of the annexed Statements of Cost Accounts.

1.2 Sugarcane crushing capacity

Please refer to the 3.2 below.

1.3 Other production activities of the Company

Following are other production activities undertaken by the Company during the year:

i) Industrial Alcohol (Ethanol)
ii) Particle Board
iii) Yarn
iv) Power

2. Cost Accounting System

The Company has a cost accounting system in operation, which is capable of maintaining adequate records in relation to the costs incurred so as to arrive at a reasonable estimate of cost of production.

We were given to understand that the Company has adopted adequate policies and procedures for maintenance of its cost accounting, as well as, financial accounting records.

According to the Company's practice, the actual costs incurred during the year are allocated to the sugar manufactured during the year on actual basis.

The Company states its stocks at lower of cost and net realizable value. Cost is determined by average method except for those in transit, where it represents invoice value and other charges paid thereon. Cost of work-in-process and finished goods also include direct cost of labor, production overheads, excise duty and sales tax, if applicable. Net Realizable Value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

3. Production

3.1 Sugar production (Quantitative data)

Please refer 'Production Data' of the annexed Statements of Cost Accounts.

3.2 Percentage of sugarcane crushing compared with installed capacity

The crushing capacity has been utilized at 784,056 (including trial run capitalized related to new division at Dargai Shah 35,926) (2008: 2,254,712) tonnes in comparison to 1,858,000 (2008: 2,614,042) tonnes crushing capacity available based on total number of days of crushing season. This approximates 42.20% (2008: 86.25%) utilization of available capacity.

3.3 Comparison of capacity utilization (Crushing Capacity)

Year	Available Capacity Tonnes	Utilized Capacity Tonnes	Percentage
2006-2007	2,420,000	1,587,927	65.62
2007-2008	2,614,042	2,254,712	86.25
2008-2009	1,858,000*	**784,056****	**42.20**

*It includes 200,000 tonnes during trial run of Dargai Shah Division
** It includes 35,926 tonnes during trial run of Dargai Shah Division

Explanation for variance

Net decrease in utilized capacity is due to increase in stoppages, non availability of sugarcane, concentration of management to obtain higher recovery rate, shortage of funds and decrease in crushing days from 165 days to 104 days at Jhang division, 128 days to 103 days at Bhone division, and increase of 50 days (2008: nil) due to start of trial run production at Dargai Shah Division during the year.

Net decrease in available capacity is due to decrease in length of crushing season i.e. 93 days (weighted average of three division) (2008: 163 days) while the actual crushing was 71 days (weighted average of three division) (2008: 151 days). The decrease is net effect of increase in 50 days (2008: nil) due to start of trial run production at Dargai Shah Division during the year.

3.4 Comparison of Machine Hours utilization (during crushing season)

Year	Available Hours	Utilized Hours	Percentage
2006-2007	3,604.94	**2,973.26***	82.48
2007-2008	3,921.06	**3,634.28 ***	92.69
2008-2009	2,214.49	**1,697.80***	76.62

*This represents weighted average hours based on crushing capacity of three divisions.

Explanation for variance

Net decrease in available hours is due to decrease in length of crushing season i.e. 93 days (weighted average of three divisions) (2008: 163 days) while the actual crushing was 71 days (weighted average of three divisions) (2008: 151 days).The decrease is net effect of increase in 50 days (2008: nil) due to start of trial run production at Dargai Shah Division during the year.

Net decrease in machine hours utilization is due to increase in stoppages and non availability of sugarcane.

3.5 Addition to production capacity during current year

During the year ended 30 September 2009 crushing capacity has been increased by 4,000 extendable to 6,000 tonnes per day which is due to start of operations of new sugar division at Dargai Shah.

4. Raw material consumption

4.1 Please refer statement showing cost of production and sale of white bagged sugar given as per "Annexure-1".

4.2 Raw material (Sugarcane) cost per bag (50 kg) of production

Year	Rupees
2006-2007	1,019
2007-2008	990
2008-2009	1,417

Explanations for variances in the consumption of major raw materials as compared to preceding two years

a. Comparison with 2008

Raw material cost per bag of production has increased by Rs. 427 as compared to last year due to the net effect of followings mainly:

i) increase in the TPT cane subsidy by Rs. 373 million is mainly due to non availability of sugarcane in the market resulting into increase in the prices, and thereby increasing the cost per bag of sugar by approximately Rs. 263;

ii) increase in support price of sugar cane fixed by government from Rs 1,480 to 2,000 per tonne, and thereby increasing the cost per bag of sugar by approximately Rs. 285; and

iii) increase in recovery rate, from 7.85% in the previous year to 9.13% in the current year, thereby decreasing the cost per bag of sugar by approximately Rs. 138 as compared to the previous year. The increase in recovery rate is mainly due to concentration of management to crush quality cane so as to achieve higher recovery rate.

b. Comparison with 2007

Raw material cost per bag of production has increased by Rs. 398 as compared to the year 2007 due to the net effect of followings:

i) increase in the amount of TPT cane subsidy by Rs. 285 million is due to non availability of cane in the market resulting to increase in the prices and thereby increasing the cost per bag of sugar produced by approximately Rs. 201;

ii) increase in support price of sugar cane fixed by government from Rs 1,480 to 2,000 per tonne, and thereby increasing the cost per bag of sugar by approximately Rs. 297; and

iii) increase in recovery rate, from 8.04 % in the year 2007 to 9.13 % in the current year, thereby decreasing the cost per bag of sugar produced by approximately Rs. 118 as compared to the year 2007. The increase in recovery rate is mainly due to concentration of management to obtain higher recovery rate by crushing quality cane.

4.3 Bags of sugar produced per tonne of cane crushed

Year	Number of Bags (50 Kg)
2006-2007	1.61
2007-2008	1.57
2008-2009	1.83*

*Including cane crushed during trial run of Dargai Shah Division

Explanation for variance

a. **Comparison with 2008**

The reason for increase in bags of sugar produced per tonne of cane crushed is due to increase in recovery percentage as discussed in paragraph 4.2a (iii).

b. **Comparison with 2007**

The reason for increase in bags of sugar produced per tonne of cane crushed is due to increase in recovery percentage as discussed in paragraph 4.2b (iii).

4.4 **Recovery percentage of sugar produced from sugarcane**

Year	Percentage
2006-2007	8.04
2007-2008	7.85
2008-2009	9.13

Explanation for variance

The increase in recovery rate is mainly due to better quality of sugarcane crop in Punjab during 2008-2009 in contrast to the last years and concentration of management to obtain higher recovery rate by procuring and crushing quality cane.

4.5 **Comments on the method of accounting followed for recording the quantities and value of receipts, issues and balances of all material directly used in production**

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

Sugarcane receipt at mills

Computerized Cane Purchase Receipt (CPR) is issued on weighing the sugarcane through digital machine at gate and the cane is forthwith sent for crushing. The data entered into CPR forms the basis of Cane Purchase Sheet. Purchase voucher is incorporated for updation of general ledger on fortnightly basis.

Sugarcane receipts at depots

Manual CPRs are issued on weighing the sugarcane at depots. The details of CPRs are entered in Cane Purchase Sheet of that depot. The purchase voucher includes amounts of the Cane Purchase Summaries of all the depots. Sugarcane is then sent to the mills where it is weighed again and forthwith sent for crushing.

Other direct material used in production

Other direct material used includes lime, soda caustic solid / liquid, LMW & HMW Poly electrolyte, phosphoric acid commercial etc. The Company has computerized inventory management system in which all the material purchased is recorded at the respective rates in separate accounts and consumption is charged on daily basis at the moving average rate calculated by the system. Purchases are recorded by Goods Receipt Notes (GRNs) while consumption is recorded on the basis of Store Issue Notes (SINs).

5. Wages and Salaries

5.1 Statement showing categories of wages and salaries

Please refer 'Statement Showing Cost of Salaries, Wages and Benefits' "Annexure - 6" of the annexed Statements of Cost Accounts.

5.2 Salaries and perquisites of Directors and Chief Executive

No salary or perquisites have been provided to the Directors and the Chief Executive except for meeting fee amounting to Rs. 150,000 (2008: Rs. 190,000) for attending four meetings (2008: five meetings).

5.3 a) Total man-days of direct labour available and actually worked for the period (during crushing season)

Particulars	Current Year 2009	Prior Year 2008
Total man-days of labour available	253,728	435,919
Total man-days of labour actually worked	192,858	404,034

b) Total man-days of direct labour available and actually worked for the period (after crushing season)

Particulars	Current Year 2009	Prior Year 2008
Total man-days of labour available	494,483	411,474
Total man-days of labour actually worked	494,483	411,474

5.4 a) Average numbers of workers employed during the crushing season

Particulars	Current Year 2009	Prior Year 2008
Direct and Indirect Labour –including contract staff	2,731	2,978

b) Average numbers of workers employed after the crushing season

Particulars	Current Year 2009	Prior Year 2008
Direct and Indirect Labour –including contract staff	1,817	2,037

Note: The workers also include employees of the Company.

5.5 Direct labour cost per unit of output (As per cost statements)

Year	Rupees
2006-2007	58.22
2007-2008	50.84
2008-2009	125.21*

*It includes labour cost during trial run operations at Dargai Shah Division

5.6 Brief explanations for variances as compared to the previous two years

Comparison with 2008 and 2007

The increase in the direct labour cost per unit of output is mainly due to significant decrease in number of bags produced during the year based on factors explained in para 3.3, and effect of increase in minimum wage rate.

5.7 Comments on the incentive scheme, with particular reference to its contribution towards increasing productivity and its effect on cost of production

Bonus scheme is in place which is based on productivity and covers the permanent employees of the Company.

Particulars	Current Year 2009 Rupees	Prior Year 2008 Rupees
Cost of bonus per tonne of output	41.13	50.18

6. Stores and spare parts

6.1 Stores and spares expenditure per unit of output

Particulars	Current Year 2009 Rupees	Prior Year 2008 Rupees
Stores and spares consumption per bag (50 Kg) of output (as per cost statements)	36.36	31.80

Explanation for variance

The increase in the stores and spares expenditure per bag of output is mainly due to inflationary factors, and decrease in quantity of cane crushed as explained in para 3.3, resulting in decrease in number of bags produced during the year as compared to previous year.

6.2 Comments on the system of stores accounting for recording receipts, issues and balances, both in quantities and values

Receipt recording

The Company follows perpetual method of accounting for stores and spares. Receipts are recorded on the basis of actual prices and the actual quantities received for which Goods Receipt Note (GRN) is prepared.

Consumption recording

Stores and spares consumption is recorded on the basis of Store Issue Notes valued on the basis of moving average rate.

Allocation

Allocation of stores and spare consumption is based on actual consumption towards various cost centers.

6.3 Proportion of closing inventory of stores representing items, which have not been moved for over twenty-four months

Stores inventory amounting to Rs. 12,752,677 (2008:Rs. 592,892) approximating to 16%(2008: 0.71%) has not been moved for over twenty- four months from the balance sheet date against which adequate provision has been made in the books of account.

7. Depreciation

7.1 Method of depreciation adopted by the Company

Depreciation is being charged on all fixed assets, except land and capital work in progress, on reducing balance method after taking into account the impact of their residual values, if considered significant. Depreciation on additions to property, plant and equipment is charged from the month in which the asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off. The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if impact on depreciation is significant. The Company's estimate of the residual value of its property, plant and equipment as at 30 September 2009 has not required any adjustment as its impact is considered insignificant.

7.2 Basis of allocation of depreciation

Depreciation on assets identifiable to various cost centers is charged on actual basis, while for assets under common use, depreciation is allocated on the basis of sales revenue.

7.3 Basis of charging depreciation to cost of products

The depreciation on common assets is charged to various cost centers on the basis of sales revenue, while the depreciation of depreciable assets relating to units involved in the manufacturing of product is charged to the cost of that product.

8. Overheads

8.1 Total amount of overheads

Particulars	2009 Rupees	2008 Rupees	2007 Rupees
Factory overheads	355,683,887	441,054,116	401,351,870
Administrative, selling and distribution overheads	183,183,578	146,187,078.	152,447,203
Financial charges	738,627,665	577,022,815	650,463,216

Please refer to 'Statement showing cost of production and sale of white bagged sugar' "Annexure - 1" of the annexed Statements of Cost Accounts.

8.2 Reasons for variances as compared with previous two years

Reasons for significant variances as compared with previous two years

a) Factory overheads

Comparison with 2008

Decrease in factory overheads by Rs. 85,370,299 is mainly due to decrease in length of crushing season, cane crushed during the year and net effect of increase in factory overheads by Rs. 64,689,606 due to start of trial run operations at Dargai Shah Division.

Comparison with 2007

Decrease in factory overheads by Rs. 45,667,983 is mainly due to decrease in length of crushing season, cane crushed during the year and net effect of increase in overheads by Rs. 64,689,808 due to start of trial run operations at Dargai Shah Division.

b) **Administrative, selling and distribution expenses**

Comparison with 2008

The administrative, selling and distribution expenses are allocated to various segments (i.e. sugar, distillery and board plant) on the basis of sales revenue. In the current year, due to lesser production of molasses as mentioned in statement of production capacity sales revenue of distillery division has been decreased, resulting into the decreased allocation of expense to distillery division and higher allocation to sugar division as compared with last year. Further, the increase represents the administrative cost of Dargai Shah division by Rs 7,073,865.

Comparison with 2007

The administrative, selling and distribution expenses are allocated to various segments i.e. sugar division, distillery, and board plant, on the basis of sales revenue. In the current year sales revenue of distillery division has been decreased, resulting into the decreased allocation of expense to distillery division and higher allocation to sugar division as compared with year 2007. Further, the increase represents the administrative cost of Dargai Shah Division during the year by Rs 7,073,868.

c) **Financial charges**

Comparison with 2008

The increase in financial charges is mainly due to increase in interest and mark up rate on long term and short term borrowings. Further, financial charges are normally allocated to various segment i.e. sugar, distillery, and board plant on the basis of sale revenue. In the current year, sales revenue of distillery division has decreased, resulting into increased allocation of expense to sugar division and lesser allocation to distillery division as compared with last year. Moreover, financial charges have also been increased due to the fact that interest related to Dargai Shah division become part of sugar while in previous years, it had been capitalized.

Comparison with 2007

The financial charges are allocated to various segments i.e. sugar division, distillery, and board plant, on the basis of sales revenue. In the current year sales revenue of distillery division has been decreased, resulting into the decreased allocation of expense to distillery division and higher allocation to sugar division as compared with year 2007, and charging interest and markup related to Dargai Shah division during the year. Moreover, financial charges have also been increased due to the fact that interest related to Dargai Shah division become part of sugar while in previous years, it had been capitalized.

8.3 Factory overheads per tonne of cane crushed

Year	Rupees
2006-2007	252.75
2007-2008	195.61
2008-2009	453.65

Explanation for variance

Comparison with 2008 and 2007

The increase in overheads per tonnes of cane crushed is mainly due to significant decrease in quantity of cane crushed, based on factors that have been explained in para 3.3

8.4 Total overheads per tonne of cane crushed

Year	Rupees
2006-2007	758.69
2007-2008	516.37
2008-2009	1707.58

The increase in overheads per tonnes of cane crushed is mainly due to significant decrease in quantity of cane crushed, based on factors that have been explained in para 3.3 and increase in financial charge during the year.

8.5 Basis of absorption of overheads to products with brief comments thereon

Allocation of overheads to products

Identifiable costs are separately allocated to each cost center, while common costs are allocated on the basis sales revenue except depreciation which is allocated on the basis of book value of fixed assets directly identifiable to these products.

Absorption of cost to inventories

The Company is using absorption costing method as its primary basis for valuing its products i.e. both variable costs and fair proportion of fixed overheads. While allocation of fixed overheads to cost of conversion is based on normal capacity of Company. However, during the year, the Company operated below normal capacity and accordingly, in accordance with the requirement of IAS 2 Inventories, certain portion amounting to Rs. 263 million could not be allocated to cost of sugar and same has been charged to profit and loss account rather than becoming part of inventory. Depreciation is allocated to different products on the basis of book value of fixed assets directly identifiable to these products. Absorption of overheads to work in process is based on the stage of completion.

8.6 Cost of packing with details to the extent possible

Particulars	Current Year 2009 Rupees	Prior Year 2008 Rupees
Cost of packing per bag of sugar produced	20.37	16.54

Packing cost comprises of cost of polythene bags, thread, tapes, etc used for packing of the produced sugar. The increase in cost of packing material per bag is the normal inflation impact on the price of packing materials.

9. Royalty / technical aid payments

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

10. 10.1 Abnormal non-recurring features

During the year, utilized capacity of the Company has abnormally decreased due to the factors explained in para 3.3 above.

10.2 Impact of abnormal non-recurring features on cost of production

As explained in para 8.5, due to the impact of such abnormal feature, cost of production is higher by Rs. 263 million. There is no other impact on cost of production regarding such features.

No other abnormal or non recurring feature has been observed.

10.3 Special expenses directly allocated to products

No special expenses have been incurred during the year.

11. 11.1 Cost of production

Please refer 'Statement Showing Cost of Production and Sale of White Bagged Sugar' "Annexure - 1" of the Statements of Cost Accounts.

11.2 Comments on the reasons for differences in cost of production (as per cost statements)

The cost of production has been increased by Rs. 13,300 per tonne of sugar produced (refer to "Annexure – 1", Sr. No. 18). This is mainly due to increase in support prices of sugarcane fixed by Government and factors explained in para 8.5 and 10.2.

12. 12.1 Sales – including trading sales

	Particulars	Current Year 2009	Prior Year 2008
i)	Number of bags sold	1,547,468	3,516,106
ii)	Average selling price per bag (Rupees)	1,867	1,235

Note: The sale includes the various categories of sugar products including 50 kg commercial sugar, 50 kg beverages sugar, 5 kg white sugar (green), 1 kg white sugar (green), sachet sugar etc.

12.2 Export Sales

Particulars	Current Year 2009	Prior Year 2008
White Sugar:		
Quantity exported (in Bags)	-	74,295
Net realization per bag (Rupees)	-	1,028
Country	-	Afghanistan
Net profit/(loss) in exports	-	(15,646,879)

13. 13.1 Profitability (gross), as per cost statements

Product	Current Year 2009		Prior Year 2008	
	Gross Profit for the year Rupees	Profitability Per Bag Rupees	Gross Profit for the year Rupees	Profitability Per Bag Rupees
White Bagged Sugar	531,842,518	343.69*	582,311,125	165.61

*Based on number of bags sold of three divisions

13.2 Gross profit per machine hour for whole year

Year	Rupees
2006-2007	131,389
2007-2008	160,227
2008-2009	313,439*

*Based on Weighted average number of hours utilized in all three divisions

13.3. Comments on the profitability of different categories of the products per unit as well as in terms of per machine hour, etc. and comments on the adequacy or otherwise of product for maximization of profits.

Profitability of the Company depends on the support prices of sugarcane fixed by the

Government, quality of cane procured and recovery rate of sugarcane crushed. The increase in recovery rate is mainly due to better quality of sugarcane crop in Punjab during 2008-2009 in contrast to the last years and concentration of management to obtain higher recovery rate by procuring and crushing quality cane.

During the year, the average selling price of sugar has been increased from Rs. 24,701 per ton (equivalent to Rs. 1,235 per bag of 50kG) of the previous year to Rs 37,796 per tonne (equivalent to Rs. 1,867 per bag of 50 Kg) in the current year. Despite increase in support prices of sugarcane, better recovery rate resulted into increase in greater profitability (gross).

14. Cost auditors' observations and conclusion

14.1 Matters, which appear to be incorrect in principle or are apparently unjustifiable

No such instance was noticed during the course of the test procedures applied to conduct the audit.

14.2 Cases where the Company's funds have been used in a negligent or inefficient manner

No such instance was noticed by us during the course of the test procedures applied to conduct the audit.

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

No such cases were noticed during the conduct of audit.

14.4 i) The adequacy or otherwise of budgetary control system, if any, in vogue in the Company

The Company has an adequate budgetary control system in operation.

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

Management of the Company has outsourced its internal audit function to a professional firm. They are assigned to appraise the management about the control weaknesses along with their remedies and also the deviations from the approved procedures. The internal auditors provide the Company with quarterly reports on their findings which are discussed in the Audit Committee meetings.

14.5 i) Rectification of general imbalance in production facilities

We have not identified any imbalance in production facilities.

ii) Fuller utilization of installed capacity

The utilization of installed capacity is dependent upon availability of funds and sugarcane of desired quantity and quality. As a part of long term planning, the Company has concentrated on procurement of high quality sugarcane to ensure maximum recovery rate. During the year 2008-09, the Company has utilized its installed capacity upto 42.20 %(2008: 86.25%).The reasons of significant decrease in utilized capacity are explained in para 3.3 above.

iii) Comments on areas offering scope for

- **Cost reduction and increased productivity**

  The Company may make efforts towards optimum utilization of production capacity by promoting cultivation of sugarcane by further increasing the number of farms as well as increasing per acre yieldage of sugarcane produced on its existing farms, thereby ensuring regular supply of improved quality sugarcane. It would reduce the cost of sugarcane for the Company along with the improvement in the recovery rate. Secondly, the Company should increase the quality incentive on sugarcane purchase that will motivate the farmers to sow high quality.

- **Key limiting factors causing production bottlenecks**

  Limited supply of desired quality and quantity of sugarcane during the crushing season and shortage of funds are key limiting factors.

- **Improved inventory policies**

  Policies relating to inventory are found satisfactory.

- **Energy conservancy**

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

iv) State of technology whether modern or obsolete

The Company has installed modern plants as the main production facility.

v) Plant whether new or second hand when installed

The plant was new when installed.

14.6 Other Observations

The company has policy to measure its certain fixed assets at revalued amounts. However, we have noticed that the company's fixed assets except land have not been revalued since 1979 and accordingly, there is risk that such assets may be carried at lower values. Such understatement of cost may result into decrease in depreciation charge and corresponding effect on cost of sale.

SHAKARGANJ MILLS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2009

PRODUCTION DATA

Sr. No.	Particulars	Current Year 2008-2009	Previous Year 2007-2008
1. (a)	**CANE CRUSHED:**		
	Date of start	24-11-08 at 1145 Hrs	29-10-07 at 1100 Hrs
	Date of finish	13-03-09 at 1800 Hrs	19-04-08 at 1430 Hrs
	Duration of run days	93	163
	Total number of hours in duration	2,214.49	3,921.06
	Total number of hours of actual crushing	1,696.80	3,634.28
	Total numbers of hour lost	517.69	286.78
	Total cane milled (tonnes)	784,056.409	2,254,712.420
	Converted maunds	19,601,410.23	56,367,810.50
	Total mixed juice obtained (tonnes)	701,821.48	2,077,319.37
(b)	**GUR MELTED:**	-	-
2.	**JUICE & ADDED WATER:**		
	Average mixed juice % cane	89.51	92.13
	Average added water % cane	20.18	21.65
3.	**SUGAR MADE:**		
	Total sugar bagged of all grade (100 kg)	-	-
	Total sugar bagged of all grade (50 kg)	1,431,990.00	3,541,840.00
	Sugar bagged (tonnes)	71,599.50	177,092.00
	Sugar in process (tonnes)	134.13	164.88
4.	**MOLASSES EXTRACTED:**		
	Total molasses sent out (tonnes)	33,070.00	117,742.00
	Molasses in process (tonnes)	52.07	36.42
5.	**RECOVERY PERCENT:**		
	Laboratory test percentage recovery of sugarcane	-	-
	Average recovery of marketable white sugar % cane	9.13	7.85
	Average production of final molasses % cane	4.22	5.22
6.	**BY-PRODUCTS:**		
	Baggase % cane (calculated) (tonnes)	30.67	29.52
	V.F. Cake % cane (tonnes)	3.00	3.00
7.	**CLARIFICATION PROCESS: -**		
	Specific the process used by the mill	**Defecation - Melt - Phosphitation**	**Defecation - Melt - Phosphitation**

(CHIEF EXECUTIVE OFFICER)

(CHIEF FINANCIAL OFFICER)

SHAKARGANJ MILLS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2009

STATEMENT OF CAPACITY UTILIZATION

Sr. No.	Particualrs	Current Year	Previous Year
1	Licensed cane crushing capacity tonnes per day	20,000.00	16,000.00
2	Installed cane crushing capacity tonnes per day	20,000.00	16,000.00
3	Utilized cane crushing capacity tonnes per day	8,439.79	13,800.63
4	Percentage of utilization in relation to installed capacity	42.20%	86.25%

(CHIEF EXECUTIVE OFFICER) (CHIEF FINANCIAL OFFICER)

SHAKARGANJ MILLS LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2009

STATEMENT OF PRODUCTION CAPACITY

Sr. No	Particular		Current Year	Previous Year
			---------Tonnes---------	
1	**Installed Production**			
	a	Capacity of Sugar	169,598.43	205,202.14
	b	Molasses	-	-
	c	Other	-	-
2	**Actual Production**			
	a	Actual Production Sugar (from sugarcane)	71,600.00	177,092.00
	b	Molasses	33,070.00	117,742.00
	c	Baggase	-	-
3	**Percentage of Production in Relation to Installed Capacity**			
	a	Sugar		
		Percentage of Production	42.20%	86.30%
	b	Molasses	-	-
	c	Baggase	-	-

(CHIEF EXECUTIVE OFFICER) **(CHIEF FINANCIAL OFFICER)**