



**Adam Sugar Mills Limited**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 JUNE, 2007**  
**(UN-AUDITED)**

	30 Jun. 2007	30 Jun. 2006
(Rupees in thousands)		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash generated from/(used in) operations	A (75,165)	(177,624)
Financial Charges Paid	(17,991)	(17,753)
Dividend Paid	(5,166)	(3,170)
Gratuity paid	-	(54)
Taxes paid	(1,283)	(5,569)
Net cash inflow/(out flow) from operating activities	(99,605)	(204,170)
<b>Cash Flow From Investing Activities</b>		
Fixed capital Expenditure	(26,340)	(16,553)
Sale proceeds of Fixed Assets	100	1,750
	(26,240)	(14,803)
<b>Cash Flow From Financing Activities</b>		
Finance Lease	25,000	-
Security Deposits	(1,250)	-
Repayment of Finance Lease	(886)	(316)
Repayment of Long Term Loan	(10,500)	(10,500)
Sponsor's Subordinated Loan	(21,000)	21,802
Net cash inflow (out flow) from Financing activities	(8,636)	10,986)
Net increase/(Decrease) in cash and cash equivalents	(134,481)	(207,987)
Cash and cash equivalents at the beginning of the period	B (136,260)	(71,910)
Cash and cash equivalents at the close of the period	B (270,741)	(279,897)
<b>A. CASH GENERATED FROM OPERATIONS:</b>		
(Loss) Profit before taxation	(129,577)	143,865
Add/(Less) adjustment for non-cash charges and other items	-	-
Depreciation	28,562	12,548
Gain on sales of assets	(85)	(1,231)
Financial Charges	15,906	22,361
Profit before working capital changes	(85,194)	177,543
<b>Changes in Operating assets and liabilities:</b>		
<b>(Increase)/Decrease in operating assets</b>		
Stores and Spare Parts	1,154	1,364
Stock-in-trade	(74,474)	(301,797)
Trade Debtors	2,290	-
Loans, advance and short term prepayments	(18,531)	(7,110)
	(89,561)	(307,543)
<b>Increase/(Decrease) in Operating Liabilities</b>		
Creditors, Accrued and other liabilities	91,333	(66,297)
Advances and Deposits	7,943	15,971
Worker's Profit Participation Fund	314	(175)
Worker's Welfare Fund	-	2,877
	99,590	(47,624)
Cash generated from/used in operations	(75,165)	(177,624)
<b>B. CASH AND CASH EQUIVALENTS</b>		
Cash and Bank Balances	10,652	40,495
Short Terms Finances	(281,393)	(320,392)
	(270,741)	(279,897)

**Adam Sugar Mills Limited**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE, 2007**  
**(UN-AUDITED)**

	Share Capital	General Reserve	Accumulated Profit/Loss	Total
Balance as at 1, October, 2005	57,637	15,000	65,162	137,799
Profit for nine months Oct-2005 to June-2006	-	-	93,804	93,804
Final Dividend paid for the year ended 30 Sep, 2005 approved subsequent to the year end	-	-	-	-
Total amount of Dividend @ Rs-1/50 per share Less Dividend waived by sponsors	Rs. 8,646 Rs. 4,962	-	(3,684)	(3,684)
Balance as at 30 June, 2006	57,637	15,000	155,282	227,919
Loss for three months July-2006 to Sep-2006	-	-	(69,506)	(69,506)
Incremental depreciation transferred from Surplus on Revaluation of Fixed Assets	-	-	23,347	23,347
Balance as at 30 September, 2006	57,637	15,000	109,123	181,760
Loss for the nine months Oct-2006 to June-2007	-	-	(131,737)	(131,737)
Final Dividend paid for the year ended 30 Sep,2006 approved subsequent to the year end	-	-	-	-
Total amount of Dividend @ Rs-2/50 per share Less Dividend waived by sponsors	Rs:14,409 Rs: 9,010	-	(5,399)	(5,399)
Incremental depreciation transferred from Surplus on Revaluation of Fixed Assets	-	-	16,595	16,595
Balance as at 30 June, 2007	57,637	15,000	(11,418)	61,219

**NOTES TO THE ACCOUNTS**  
**FOR THE PERIOD ENDED 30 JUNE, 2007**

**STATUS AND ACTIVITIES**

- Adam Sugar Mills Limited is a Public Limited Company incorporated in Pakistan and is quoted on Karachi and Lahore Stock Exchanges. The Company is engaged in the manufacture and sale of sugar.
- BASIS OF PRESENTATION AND ACCOUNTING POLICIES**
  - All accounting policies adopted for the preparation of these quarterly accounts are the same as applied in the preparation of the preceeding annual published accounts of the company for the year ended 30 September, 2006.
  - These financial statements have been prepared in compliance with the requirements of IAS-34 (Interim Financial Reporting) and are being circulated to the members as per the requirements of section 245 of the Companies Ordinance, 1984.
- CONTINGENCIES AND COMMITMENTS**  
The status of Contingencies is same as disclosed in the latest annual published accounts.
- Loss during the quarter ended 30 June, 2007 has increased due to drastic reduction in the selling price of sugar and molasses and consequent revaluation of closing stock.
- GENERAL**
  - Corresponding figures have been rearranged wherever necessary to facilitate comparison and have been rounded off to the nearest thousand rupees.
  - These interim financial statements were authorised for issue on 28 July, 2007 by the Board of Directors of the Company.

Karachi: 28 July, 2007

<b>GHULAM AHMED ADAM</b> Chief Executive	<b>JUNAID G. ADAM</b> Director
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Karachi: 28 July, 2007

<b>GHULAM AHMED ADAM</b> Chief Executive	<b>JUNAID G. ADAM</b> Director
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**BOOK POST**

Adam Sugar Mills Limited



**QUARTERLY REPORT**

**FOR THE THIRD QUARTER ENDED**  
**30 June, 2007**  
**(UN-AUDITED)**

If undelivered please return to :  
**Adam Sugar Mills Limited**  
Haji Adam Chambers, Altaf Hussain Road,  
P. O. Box No. 4274, Karachi-2.