

ADAM SUGAR MILLS LIMITED



HALF YEARLY REPORT

**FOR THE HALF YEAR ENDED
MARCH 31, 2010
(UN-AUDITED)**



ADAM SUGAR MILLS LIMITED

**IN THE NAME OF ALLAH
THE BENEFICENT, THE MERCIFUL**

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ADAM SUGAR MILLS LIMITED

VISION

To be the leader in sugar industry by building the Company's image through quality improvement, competitive prices and meeting social obligations.

MISSION

- To endeavour to be the market leader by offering high quality sugar to our customers at competitive prices.
- To continue improving operating performance and profitability thereby ensuring growth for the Company while serving best interest of shareholders.

COMPANY INFORMATION

BOARD OF DIRECTORS

MR. GHULAM AHMED ADAM
MR. SYED RAFIQUE MOHAMMAD SHAH
MR. ABDUL KARIM
MR. JAWAID AHMED
LT. COL. (R) MUHAMMAD MUJTABA
MR. JUNAID G. ADAM
MR. OMAR G. ADAM

AUDIT COMMITTEE (all non-executive directors)

CHAIRMAN	MR. JUNAID G. ADAM
MEMBER	MR. JAWAID AHMED
MEMBER	MR. ABDUL KARIM

DIRECTOR FINANCE/ CORPORATE SECRETARY

MR. QAMAR RAFI KHAN, ACA

AUDITORS

HAROON ZAKARIA & COMPANY
Chartered Accountants

REGISTERED OFFICE

HAJI ADAM CHAMBERS,
ALTAF HUSSAIN ROAD,
NEW CHALLI, KARACHI-2

FACTORY

CHAK NO. 4, FORDWAH, CHISHTIAN
DISTRICT BAHAWALNAGAR

WEBSITE ADDRESS

www.adam.com.pk/Adamsugar.htm



ADAM SUGAR MILLS LIMITED

**IN THE NAME OF ALLAH
THE BENEFICENT, THE MERCIFUL**

CHIEF EXECUTIVE'S REVIEW

On behalf of the Board of Directors, I am pleased to present to you the unaudited accounts of the Company for the half year ended 31 March, 2010.

The mills crushed 313,363 tons of sugarcane at an average recovery of 8.85% and produced 27,716 tons of sugar as compared to 256,030 tons of sugarcane at an average recovery of 9.47% and produced 24,835 tons of sugar in the previous season.

This year the Government raised the sugarcane price from Rs.80/- per 40 KG to Rs.100/- per 40 KG. However due to shortage of sugarcane, we were compelled to purchase sugarcane at very high rate.

The production is more than previous year, the company managed to earn satisfactory profit in comparison to last year.

Your directors appreciate the spirit and cooperation shown by the officers, staff and workers.

(GHULAM AHMED ADAM)
CHIEF EXECUTIVE

Karachi: 24 May, 2010



ADAM SUGAR MILLS LIMITED

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

INTRODUCTION:

We have reviewed the accompanying condensed interim balance sheet of **ADAM SUGAR MILLS LIMITED** as at March 31, 2010, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the condensed notes forming part thereof (here-in-after referred to as the "Interim financial information") for the six month period ended March 31, 2010. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended March 31, 2010 and 2009 have not been reviewed as we are required to review only the cumulative figures for the six months period ended March 31, 2010.

SCOPE OF REVIEW:

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the annexed interim condensed financial information are not presented fairly, in all materials respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi:
Dated: 24 May, 2010

HAROON ZAKARIA & COMPANY
CHARTERED ACCOUNTANTS
Mr. Muhammad Haroon



ADAM SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2010

	Note	March 31, 2010 (Un-audited)	September 30, 2009 (Audited)
..... (Rupees)			
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	833,237,472	846,515,865
Long term deposits		1,277,400	1,277,400
Intangible assets	6	966,667	-
Current Assets			
Biological assets- at fair value		424,739	1,273,700
Stores and spares	7	66,808,843	52,901,936
Stock in trade	8	954,684,439	284,679,932
Trade debts	9	37,507,900	-
Loans and advances	10	26,920,524	24,231,127
Deposits and prepayments	11	6,325,928	2,457,488
Others receivables - considered good		140,018	120,463
Tax refund due from government		4,249,419	4,246,947
Cash and bank balances	12	199,936,780	55,101,766
		<u>1,296,998,590</u>	<u>425,013,359</u>
TOTAL ASSETS		<u>2,132,480,129</u>	<u>1,272,806,624</u>
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised			
10,000,000 ordinary shares of Rs. 10/- each		<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital			
5,763,654 ordinary shares of Rs. 10/- each		<u>57,636,540</u>	<u>57,636,540</u>
Reserves			
General Reserve		<u>15,000,000</u>	<u>15,000,000</u>
Accumulated Profit		<u>168,068,684</u>	<u>113,352,067</u>
		<u>183,068,684</u>	<u>128,352,067</u>
Total shareholders' equity		<u>240,705,224</u>	<u>185,988,607</u>
Surplus on revaluation of fixed assets		<u>274,304,502</u>	<u>280,631,849</u>
NON CURRENT LIABILITIES			
Subordinated loan from director	13	<u>239,324,437</u>	<u>239,324,437</u>
Long term finances	14	<u>36,666,665</u>	<u>43,999,999</u>
Liabilities against assets subject to finance lease		<u>8,156,585</u>	<u>11,287,527</u>
Deferred liabilities	15	<u>212,100,778</u>	<u>209,080,589</u>
		<u>496,248,465</u>	<u>503,692,552</u>
CURRENT LIABILITIES			
Short term borrowings	16	<u>807,691,790</u>	<u>150,000,000</u>
Trade and other payables	17	<u>229,808,567</u>	<u>103,745,279</u>
Accrued markup on borrowings		<u>12,149,581</u>	<u>7,776,239</u>
Current maturity of non-current liabilities		<u>19,813,166</u>	<u>19,328,555</u>
Unclaimed dividend		<u>2,347,216</u>	<u>1,738,469</u>
Provision for taxation		<u>49,411,618</u>	<u>19,905,074</u>
		<u>1,121,221,938</u>	<u>302,493,616</u>
Contingencies and commitment	18	-	-
TOTAL EQUITY AND LIABILITIES		<u>2,132,480,129</u>	<u>1,272,806,624</u>

The annexed notes form an integral part of these financial statements

Karachi:
Dated: 24 May, 2010

GHULAM AHMED ADAM
Chief Executive

OMAR G. ADAM
Director



ADAM SUGAR MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2010

Note	Half year ended		Quarter ended	
	March 31 2010	March 31 2009	March 31 2010	March 31 2009
 (Rupees) (Rupees)	
Sales - net	1,027,244,613	352,393,353	537,434,345	132,390,799
Cost of sales	(906,735,341)	(210,034,557)	(448,029,755)	(14,479,820)
Gross Profit	120,509,272	142,358,796	89,404,590	117,910,979
Administrative expenses	(14,741,225)	(15,671,694)	(8,838,121)	(9,035,506)
Selling expenses	(870,852)	(929,674)	(705,372)	(789,093)
	(15,612,077)	(16,601,368)	(9,543,493)	(9,824,599)
Operating profit	104,897,195	125,757,428	79,861,097	108,086,380
Other operating income	7,477,348	9,544,419	366,613	6,937,826
	112,374,543	135,301,847	80,227,710	115,024,206
Financial charges	(18,720,085)	(25,472,768)	(14,816,191)	(14,855,051)
Workers profit participation fund	(4,682,723)	(5,491,454)	(3,270,577)	(5,013,694)
Workers welfare fund	(1,779,435)	(3,448,330)	(1,253,342)	(3,270,341)
	(25,182,243)	(34,412,552)	(19,340,110)	(23,139,086)
Profit before taxation	87,192,300	100,889,295	60,887,600	91,885,120
Taxation				
- Current	(29,881,083)	-	(27,432,032)	-
- Deferred	(3,158,293)	(84,808,963)	(3,158,293)	(84,808,963)
	(33,039,376)	(84,808,963)	(30,590,325)	(84,808,963)
Profit after taxation	54,152,924	16,080,332	30,297,275	7,076,157
Earning per share- basic and diluted	9.40	2.79	5.26	1.23

The annexed notes form an integral part of these financial statements

Karachi:
Dated: 24 May, 2010

GHULAM AHMED ADAM
Chief Executive

OMAR G. ADAM
Director



ADAM SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) AS AT MARCH 31, 2010

	Half year ended		Quarter ended	
	March 31 2010	March 31 2009	March 31 2010	March 31 2009
 (Rupees) (Rupees)	
Profit after tax	54,152,924	16,080,332	30,297,275	7,076,157
Other comprehensive income				
Incremental depreciation transferred from surplus on revaluation of fixed assets - net of deferred tax	6,327,347	6,461,109	3,163,674	3,230,555
Total comprehensive income	60,480,271	22,541,441	33,460,949	10,306,712

The annexed notes form an integral part of these financial statements

Karachi:
Dated: 24 May, 2010

GHULAM AHMED ADAM
Chief Executive

OMAR G. ADAM
Director



ADAM SUGAR MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2010

	Note	March 31 2010	March 31 2009
..... (Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		87,192,300	100,889,295
Adjustment for:			
Depreciation		22,086,221	19,487,049
Amortization of intangible assets		33,333	-
Financial charges		18,720,085	25,472,768
Provision for gratuity		-	71,941
Workers' profit participation fund		4,682,723	-
Workers' welfare fund		1,779,435	-
Liabilities written back		-	(9,368,925)
Loss on sale of fixed asset		-	46,030
		<u>47,301,797</u>	<u>35,708,863</u>
Operating profit before working capital charges		134,494,097	136,598,158
Decrease / (Increase) in current assets			
Other operating income			
Biological assets at - at fair value		848,961	-
Stores and spares		(13,906,907)	(4,281,139)
Stock in trade		(670,004,507)	(600,792,548)
Trade debtors		(37,507,900)	197,561,594
Loans, advances, prepayments and other receivable		5,143,036	17,672,670
		<u>119,131,927</u>	<u>105,823,644</u>
Increase / (decrease) in current liabilities		119,131,927	105,823,644
Trade and other payables		(596,295,390)	(284,015,779)
Cash (used in) operations after working capital changes		(461,801,293)	(147,417,621)
Financial charges paid			
Financial charges paid		(13,877,540)	(22,934,057)
Tender deposit		(6,147,111)	-
Dividend paid		(5,154,907)	-
Gratuity paid		(138,104)	-
Long term deposit - net		-	(2,000)
Taxes paid - net		(6,214,378)	(5,364,592)
		<u>(31,532,040)</u>	<u>(28,300,649)</u>
Net cash (used in) operating activities		(493,333,333)	(175,718,270)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(8,807,828)	(1,093,311)
Purchase of intangible asset		(1,000,000)	-
Addition in capital work in progress		-	(23,681,196)
Proceeds from sale of fixed assets		-	300,000
Net cash (used in) investing activities		(9,807,828)	(24,474,507)
CASH FLOW FROM FINANCING ACTIVITIES			
(Repayment) / proceeds from long term loan-net		(7,333,334)	(3,029,174)
Proceeds from short term loans- net		657,691,790	211,295,844
Repayment of lease liability		(2,382,281)	(2,316,118)
Net cash generated from financing activities		647,976,175	205,950,552
Net increase in cash and cash equivalents		144,835,014	5,757,775
Cash and cash equivalents at the beginning of the period		55,101,766	46,141,714
Cash and cash equivalents at the end of the period		199,936,780	51,899,489

The annexed notes form an integral part of these financial statements.

Karachi:
Dated: 24 May, 2010

GHULAM AHMED ADAM
Chief Executive

OMAR G. ADAM
Director



ADAM SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2010

Description	Share Capital	Reserves		Total
		General Reserves	Accumulated Profit	
..... (Rupees)				
Balance as at October 1, 2008 - restated	57,636,540	15,000,000	51,864,740	124,501,280
Total Comprehensive Income				
Recognized profit for the six months				
October 2008 to March 2009	-	-	16,080,332	16,080,332
Other Comprehensive Income				
Incremental depreciation transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	6,461,109	6,461,109
Total Comprehensive income for the period			22,541,441	
Balance as at March 31, 2009	<u>57,636,540</u>	<u>15,000,000</u>	<u>74,406,181</u>	<u>147,042,721</u>
Balance as at October 1, 2009	57,636,540	15,000,000	113,352,067	185,988,607
Total Comprehensive Income				
Recognized profit for the six months				
October 2009 to March 2010	-	-	54,152,924	54,152,924
Other Comprehensive Income				
Incremental depreciation transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	6,327,347	6,327,347
Total Comprehensive income for the period			60,480,271	
Final Dividend - 2009: Re 1 per share	-	-	(5,763,654)	(5,763,654)
Balance as at March 31, 2010	<u>57,636,540</u>	<u>15,000,000</u>	<u>168,068,684</u>	<u>240,705,224</u>

The annexed notes form an integral part of these financial statements.

Karachi:
Dated: 24 May, 2010

GHULAM AHMED ADAM
Chief Executive

OMAR G. ADAM
Director



ADAM SUGAR MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED MARCH 31, 2010

1. THE COMPANY AND ITS OPERATIONS

Adam Sugar Mills Limited (the Company) was Incorporated in Pakistan in 1965 as a public limited company. The shares of the Company are quoted on Karachi and Lahore Stock Exchanges. The Company is principally engaged in the Manufacturing and Sale of Sugar. The Company's registered office is situated at Haji Adam Chambers, Altaf Hussain Road, New Chali, Karachi.

2. BASIS OF PREPARATION

These unaudited financial statements have been subject to limited scope review by the auditors and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi and Lahore Stock Exchanges of Pakistan and have been prepared in accordance with the requirements of the International Accounting Standard, 34 interim financial reporting as applicable in Pakistan. These condensed interim financial Statements does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the financial statements of the company for the year ended September 30, 2009.

3. ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and methods of computation followed for the preparation of these financial statements are same as those applied in preparing the financial statements for the year ended September 30, 2009 except for policy for recognition of intangible assets at cost and its amortization, applied first time in these interim condensed financial statements which is summarised below.

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged using straight line method at the rates stated in relevant note from the month of purchase.

The Company reviews the value of the intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of intangible assets.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended September 30, 2009.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended September 30, 2009.



ADAM SUGAR MILLS LIMITED

		March 31 2010 (Un-audited)	September 30 2009 (Audited)
	Note (Rupees)	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating Fixed Assets			
Opening Written down Value		846,515,865	733,698,509
Additions	5.1	8,807,828	144,418,463
Disposal	5.2	-	(510,918)
Surplus on revaluation of fixed assets		-	10,418,165
Depreciation charged		(22,086,221)	(41,508,354)
		<u>833,237,472</u>	<u>846,515,865</u>
5.1 Additions to fixed assets - tangible			
Factory building on free hold land		-	8,266,441
Plant and machinery		5,679,790	130,947,286
Computer and other equipments		16,950	552,836
Vehicles		2,880,780	2,700,080
Office equipments		99,640	127,726
Furniture and fixture		11,530	893,900
Water connection and electric installation		-	157,841
Tools and other equipments		119,138	180,853
Airconditioners and refrigerators		-	591,500
		<u>8,807,828</u>	<u>144,418,463</u>
5.2 Disposals of fixed assets at cost- tangible			
Vehicles - cost		-	(2,389,000)
		<u>-</u>	<u>(2,389,000)</u>
6 INTANGIBLE ASSET			
Computer software			
- Cost		1,000,000	-
- Amortization	6.1	(33,333)	-
		<u>966,667</u>	<u>-</u>
6.1 This is amortized at the rate of 20% per annum on straight line basis from the month of purchase.			
7 STORES AND SPARES			
Stores		51,601,397	38,709,590
Spares		15,207,446	14,192,346
		<u>66,808,843</u>	<u>52,901,936</u>
8 STOCK IN TRADE			
Sugar in process		3,715,935	2,088,181
Sugar - Finished good		852,230,008	281,389,231
Molasses		98,738,496	1,202,520
		<u>954,684,439</u>	<u>284,679,932</u>
9 TRADE DEBTS			
Considered good		<u>37,507,900</u>	<u>-</u>

The company has filed case in Honorable Lahore High Court, Bahawalpur Bench, Bahawalpur against Province of Punjab through District Collector Bahawalnagar and other related Government departments for the recovery of Rs. 55,161,000, being market value of sugar stock forcefully lifted by the Government of Punjab over and above from the quantity fixed by the Honourable Supreme Court of Pakistan at the rate of Rs. 38/kg. The management of the company is confident that the decision of the case will be in favour of the company. However, the company has shown receivable at Rs. 38/kg.



ADAM SUGAR MILLS LIMITED

	Note	March 31 2010 (Un-audited)	September 30 2009 (Audited)
..... (Rupees)			
10 LOANS AND ADVANCES			
Loans			
Considered good			
- growers		1,715,190	5,377,388
- staff		912,541	631,191
		<u>2,627,731</u>	<u>6,008,579</u>
Advances			
Considered good			
- suppliers	10.1	10,854,310	12,219,398
- expenses		1,769,101	171,135
- income tax		11,669,382	5,832,015
		<u>24,292,793</u>	<u>18,222,548</u>
Considered doubtful			
- suppliers		-	5,722
provision against considered doubtful		-	(5,722)
		<u>-</u>	<u>-</u>
		<u>26,920,524</u>	<u>24,231,127</u>
10.1	It includes advance to Adam Lubricants Limited (associated undertaking) amounting to Rs. 144,145 (September 30, 2009: Rs. 800,000)		
11 DEPOSITS AND PREPAYMENTS			
Current maturity of lease deposit		-	264,050
Tender deposit		6,147,111	-
Prepayments		178,817	2,193,438
		<u>6,325,928</u>	<u>2,457,488</u>
12 CASH AND BANK BALANCES			
Cash in hand		2,048,118	329,326
Cash at banks in current accounts - local currency		197,888,662	54,772,440
		<u>199,936,780</u>	<u>55,101,766</u>
13 SUBORDINATED LOAN FROM DIRECTOR			
- related party			
This is an interest free and unsecured long term loan from Chief Executive of the company and not payable within twelve months from balance sheet.			
14 LONG TERM FINANCES			
From banking companies - secured			
Demand Finance Facility - I		51,333,332	58,666,666
Current maturity shown under current liabilities 14.1		(14,666,667)	(14,666,667)
		<u>36,666,665</u>	<u>43,999,999</u>
14.1	This represents one time demand finance facility of Rs. 66.00 million and carries markup at the rate of average of 3 months KIBOR plus 2.5%. The loan is payable in 18 equal quarterly installments of Rs. 3.67 million commencing from June 2008. The loan is secured against first charge over fixed assets and personal guarantee of the Directors.		
15 DEFERRED LIABILITIES			
Deferred taxation		210,999,801	207,841,508
Gratuity		1,100,977	1,239,081
		<u>212,100,778</u>	<u>209,080,589</u>



ADAM SUGAR MILLS LIMITED

	Note	March 31 2010 (Un-audited)	September 30 2009 (Audited)
..... (Rupees)			
16 SHORT TERM BORROWINGS			
Unsecured			
- from director - related party	16.1	160,000,000	100,000,000
Secured			
- from banking companies	16.2	647,691,790	50,000,000
		<u>807,691,790</u>	<u>150,000,000</u>

16.1 This represents an interest free short term loan from Chief Executive of the Company.

16.2 These finances are secured against pledge of refined white sugar, pari passu charge on fixed assets and personal guarantee of Directors and chief executive of the Company. Mark up is at the rates of one month KIBOR + 2.75%, and three months KIBOR + 3.50%, three months KIBOR + 2.75% and KIBOR + 3.0% payable on quarterly / semi-annually basis. The maximum facilities available are Rs. 750 million.

17 TRADE AND OTHER PAYABLES		
Creditors	116,760,567	8,735,705
Accrued expenses	1,272,912	4,728,039
Advance from customers	64,319,378	52,225,206
Sales tax payable	3,270,029	6,883,358
Retention money	141,416	137,291
Workers profit participation fund	19,925,819	14,773,893
Workers welfare fund	8,139,385	6,359,950
Provident fund payable	6,173,258	6,093,540
Market committee fee	890,005	174,347
Others	8,915,798	3,633,950
	<u>229,808,567</u>	<u>103,745,279</u>

18 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments as reported in the audited financial statements for the year ended September 30, 2009.

19 SALES - NET

	Half year Ended		Quarter Ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Sales - gross	1,072,826,495	396,660,225	557,506,900	145,295,000
Sales tax	(45,581,882)	(44,266,872)	(20,072,555)	(12,904,201)
	<u>1,027,244,613</u>	<u>352,393,353</u>	<u>537,434,345</u>	<u>132,390,799</u>

20 TRANSACTION WITH RELATED PARTIES

The related parties comprise associated undertakings, related group companies, local associates, directors and key management personnel. Transaction with related parties are carried out on arm's length basis.

Transactions with associated undertakings and related parties and other key management personnel under the term of their employment are as follows:

	Half year Ended		Quarter Ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Receipt of unsecured short term borrowings from the chief executive	160,000,000	30,016,000	160,000,000	30,016,000
Repayment of unsecured short term borrowings to the chief executive	100,000,000	-	-	-
Purchases of oil and lubricants - from associated undertaking	4,051,963	739,890	3,100	739,890
Payment to associated undertaking against oil and lubricants	3,396,108	745,980	-	745,980
Payment of office rent	-	90,540	-	45,270
Remuneration and other benefits of chief executive and directors	343,000	18,000	171,500	9,000



ADAM SUGAR MILLS LIMITED

21 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on 24 May, 2010 by the Board of Directors of the Company.

22 SEASONALITY OF OPERATIONS

The Sugar Industry are operating on seasonal basis normally from November to March/April. Therefore all major production cost other than fixed cost, for example cost of goods manufactured, stock and short term finances being reflected to be high on this period.

23 GENERAL

23.1 Figures for the quarters ended March 31, 2009 and 2010 were not subject to limited scope review by the auditors.

23.2 Figures have been rounded off to the nearest rupees.

Karachi:
Dated: 24 May, 2010

GHULAM AHMED ADAM
Chief Executive

OMAR G. ADAM
Director
