

# **ADAM SUGAR MILLS LIMITED**



## **HALF YEARLY REPORT**

**FOR THE HALF YEAR ENDED  
31 MARCH, 2014  
(UN-AUDITED)**





# ADAM SUGAR MILLS LIMITED

---

---

IN THE NAME OF ALLAH  
THE BENEFICENT, THE MERCIFUL

## C O N T E N T S

Vision / Mission & Company Information.....	1
Chief Executive's Review .....	2
Review Report .....	3
Balance Sheet .....	4
Profit and Loss Account .....	5
Statement of Comprehensive Income.....	6
Cash Flow Statement .....	7
Statement of Changes in Equity .....	8
Notes to the Accounts .....	9

---



# ADAM SUGAR MILLS LIMITED

---

---

## VISION

To be the leader in sugar industry by building the companys' 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 NAZAR MAHMOOD SHAH  
MR. JAWAID AHMED  
LT. COL. (RTD) MUHAMMAD MUJTABA  
MR. JUNAID G. ADAM  
MR. OMAR G. ADAM  
MR. MUSTAFA G. ADAM

### AUDIT COMMITTEE

CHAIRMAN  
MEMBER  
MEMBER

MR. JUNAID G. ADAM  
MR. MUSTAFA G. ADAM  
MR. JAWAID AHMED

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. JUNAID G. ADAM  
MR. OMAR G. ADAM  
LT. COL (RTD) MUHAMMAD MUJTABA

DIRECTOR FINANCE/  
CORPORATE SECRETARY

MR. QAMAR RAFI KHAN  
Chartered Accountant

REGISTERED OFFICE

HAJI ADAM CHAMBERS,  
ALTAF HUSSAIN ROAD,  
NEW CHALLI, KARACHI-2  
TEL NO. 32417812-16 & 32401139-43  
FAX NO. 32427560 / 32417907  
WEBSITE: [www.Adam.com.pk.](http://www.Adam.com.pk/) / [adamsugar.htm](http://adamsugar.htm)

FACTORY

CHAK NO. 4, FORDWAH, CHISHTIAN  
District Bahawalnagar

STATUTORY AUDITORS

HAROON ZAKARIA & COMPANY  
CHARTERED ACCOUNTANTS

SHARE REGISTRARS

C & K MANAGEMENT ASSOCIATES  
(PVT) LTD  
4TH FLOOR, 404 TRADE TOWER,  
ABDULLAH HAROON ROAD, KARACHI.  
TEL NO. 35685930  
FAX NO. 35687839



**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 six months ended 31 March, 2014.

The mills crushed 527,222 tons of sugarcane at an average recovery of 9.28% and produced 48,894 tons of sugar as compared to 506,091 tons of sugarcane at an average recovery of 10.01% and production of 50,650 tons of sugar in the previous period.

Sugarcane price fixed by the Government for Season 2013-2014 is Rs. 170/- per 40 KG and the Company incurred a loss due to below the cost sugar price as a result of surplus sugar production in Pakistan.

The directors are pleased to place on record their appreciation for the devoted and dedicated services of the officers, staff and workers of the company.

Karachi: 27 May, 2014

  
(CHULAM AHMED ADAM)  
CHIEF EXECUTIVE



## INDEPENDENT AUDITORS' 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, 2014, and the related condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to accounts for the six month period then ended (here-in-after referred to as the "Interim financial information"). Management is responsible for the preparation and fair 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 profit and loss account for the quarters ended March 31, 2014 and 2013 have not been reviewed as we are required to review only the cumulative figures for the six months period ended March 31, 2014.

### Scope of review

We conducted our review in accordance with 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 accompanying interim financial information for the period ended March 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

**Haroon Zakaria & Company**  
**Chartered Accountants**

**Engagement Partner:**  
**Mohammad Haroon**

**Karachi**  
**Dated: 27 May, 2014**



# ADAM SUGAR MILLS LIMITED

## CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT MARCH 31, 2014

	Note	March 31, 2014 (Unaudited) Rupees	September 30, 2013 (Audited) Rupees
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	1,433,098,838	1,408,055,187
Long term deposits		40,000	40,000
Intangible assets	6	306,334	427,284
		<u>1,433,445,172</u>	<u>1,408,522,471</u>
<b>Current Assets</b>			
Biological assets - at fair value		-	167,513
Stores and spares		85,560,660	83,745,348
Stock in trade	7	2,620,391,941	1,788,783,932
Short term investment		23,518,154	23,518,154
Trade debts-considered good	8	37,805,574	37,805,574
Loans and advances-considered good	9	155,846,293	82,721,312
Deposits and prepayments		57,046,319	44,979,091
Others receivables - considered good		966,191	1,428,191
Interest accrued		653,723	394,975
Tax refund due from government		23,916,727	38,397,261
Cash and bank balances	10	585,805,842	66,925,706
		<u>3,591,511,424</u>	<u>2,168,867,057</u>
<b>Total Assets</b>		<u><u>5,024,956,596</u></u>	<u><u>3,577,389,528</u></u>
<b><u>SHARE CAPITAL AND RESERVES</u></b>			
<b>Share Capital</b>			
<b>Authorised</b>			
25,000,000 Ordinary shares of Rs. 10/- each		<u>250,000,000</u>	<u>100,000,000</u>
<b>Issued, subscribed and paid-up capital</b>			
5,763,654 Ordinary shares of Rs. 10/- each		57,636,540	57,636,540
<b>Reserves</b>			
General reserve		<u>200,000,000</u>	<u>200,000,000</u>
Accumulated profit		<u>167,491,701</u>	<u>192,807,255</u>
		<u>367,491,701</u>	<u>392,807,255</u>
Total shareholders' equity		425,128,241	450,443,795
Surplus on revaluation of fixed assets		227,443,386	233,903,358
<b>Non-Current Liabilities</b>			
Subordinated loan from director	11	<u>24,959,712</u>	<u>239,324,437</u>
Long term finances	12	<u>322,124,300</u>	<u>318,162,100</u>
Deferred liabilities	13	<u>304,632,302</u>	<u>290,522,063</u>
		<u>651,716,314</u>	<u>848,008,600</u>
<b>Current Liabilities</b>			
Short term borrowings	14	<u>2,443,711,442</u>	<u>1,094,508,667</u>
Advance against right issue of shares		5,904,800	-
Trade and other payables		914,767,109	805,377,234
Accrued markup on borrowings		44,447,608	38,108,598
Current maturity of long term loan	15	258,919,225	50,000,000
Unclaimed dividend		6,744,872	4,227,845
Provision for taxation		46,173,599	52,811,431
		<u>3,720,668,655</u>	<u>2,045,033,775</u>
<b>Contingencies and Commitment</b>	16	-	-
<b>Total Equity and Liabilities</b>		<u><u>5,024,956,596</u></u>	<u><u>3,577,389,528</u></u>

The annexed notes form an integral part of these financial statements

Karachi: 27th May, 2014

  
Chief Executive

  
Director



# ADAM SUGAR MILLS LIMITED

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE SIX MONTHS ENDED MARCH 31, 2014

	<i>Half year ended</i>		<i>Quarter ended</i>		
	<i>March 31,</i>		<i>March 31,</i>		
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>	
<i>Note</i>	<i>----- Rupees -----</i>				
Sales - net	17	1,682,488,463	1,258,482,992	533,560,428	753,433,461
Cost of sales		(1,590,684,057)	(1,041,686,560)	(482,746,540)	(560,803,346)
<b>Gross Profit</b>		<b>91,804,406</b>	216,796,432	<b>50,813,888</b>	192,630,115
Administrative expenses		(32,384,706)	(23,609,096)	(17,595,034)	(14,297,386)
Selling and distribution expenses		(5,635,752)	(3,373,656)	(3,039,436)	(2,685,075)
<b>Operating profit</b>		<b>53,783,948</b>	189,813,680	<b>30,179,418</b>	175,647,654
Other operating income		3,408,160	8,411,842	13,379,128	3,460,238
		57,192,108	198,225,522	43,558,546	179,107,892
Financial charges		(60,213,548)	(19,565,416)	(52,414,102)	(19,198,964)
Other operating charges		-	(12,327,547)	-	(10,996,213)
<b>(Loss)/Profit before taxation</b>		<b>(3,021,440)</b>	166,332,559	<b>(8,855,556)</b>	148,912,715
<b>Taxation</b>					
Current		-	(6,292,415)	-	1,986,577
Deferred		(14,344,951)	(67,112,071)	(14,344,951)	(67,112,071)
		(14,344,951)	(73,404,486)	(14,344,951)	(65,125,494)
<b>(Loss)/Profit after taxation</b>		<b>(17,366,391)</b>	92,928,073	<b>(23,200,507)</b>	83,787,221
(Loss)/Earning per share-basic and diluted		(3.01)	16.12	(4.03)	14.54

The annexed notes form an integral part of these financial statements

Karachi: 27th May, 2014

  
Chief Executive

  
Director





# ADAM SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS ENDED MARCH 31, 2014

	<i>Half year ended</i>		<i>Quarter ended</i>	
	<i>March 31,</i>		<i>March 31,</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>-----Rupees-----</i>			
<b>(Loss)/Profit after tax</b>	<b>(17,366,391)</b>	92,928,073	<b>(23,200,507)</b>	83,787,221
<b>Other comprehensive income</b>				
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	<b>6,459,972</b>	5,373,051	<b>5,199,803</b>	3,926,460
<b>Total comprehensive (Loss)/ income</b>	<b>(10,906,419)</b>	98,301,124	<b>(18,000,704)</b>	87,713,681

The annexed notes form an integral part of these financial statements

Karachi: 27th May, 2014

  
Chief Executive

  
Director



# ADAM SUGAR MILLS LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE SIX MONTHS ENDED MARCH 31, 2014

	March 31, 2014	March 31, 2013
	Rupees	Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>(Loss)/Profit before taxation</i>	(3,021,440)	166,332,559
<i>Adjustment for:</i>		
<i>Depreciation</i>	38,401,861	28,927,776
<i>Amortization of intangible assets</i>	120,950	120,950
<i>Financial charges</i>	60,213,548	19,565,416
<i>Workers' Profit Participation Fund</i>	-	8,933,005
<i>Workers' Welfare Fund</i>	-	3,394,542
<i>Provision for gratuity</i>	-	48,000
	<u>98,736,359</u>	<u>60,989,689</u>
<i>Operating profit before working capital charges</i>	95,714,919	227,322,247
<i>Decrease / (Increase) in current assets</i>		
<i>Biological assets at - at fair value</i>	167,513	112,513
<i>Stores and spares</i>	(1,815,312)	3,640,312
<i>Stock in trade</i>	(831,608,009)	(1,245,755,754)
<i>Trade debtors</i>	-	(14,962,425)
<i>Loans, advances, prepayments and other receivable</i>	(195,050)	34,026,589
<i>Deposits and prepayments</i>	(12,067,228)	(12,323,296)
<i>Others receivables - considered good</i>	462,000	(663,570)
<i>Interest accrued</i>	(258,748)	(244,339)
	<u>(845,314,834)</u>	<u>(1,236,169,970)</u>
<i>Increase in current liabilities</i>		
<i>Trade and other payables</i>	109,389,875	567,794,455
	<u>(735,924,959)</u>	<u>(668,375,515)</u>
<i>Net Cash used in operations after working capital charges</i>	(640,210,040)	(441,053,268)
<i>Financial charges paid</i>	(53,874,538)	(5,977,143)
<i>Gratuity Paid</i>	(234,712)	-
<i>Dividend paid</i>	(11,892,108)	(9,098,607)
<i>Taxes paid - net</i>	(65,087,229)	(27,884,982)
	<u>(131,088,587)</u>	<u>(42,960,732)</u>
<i>Net cash used in operating activities</i>	(771,298,627)	(484,014,000)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<i>Fixed capital expenditure</i>	(53,659,752)	(273,847,811)
<i>Addition in capital work in progress</i>	(9,785,760)	-
<i>Net cash used in investing activities</i>	(63,445,512)	(273,847,811)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<i>Repayment of Subordinated loan from director</i>	(5,445,500)	-
<i>Proceeds from long term loan - net</i>	3,962,200	-
<i>Proceeds from short term loans - net</i>	1,349,202,775	978,499,352
<i>Proceeds against right issue of shares</i>	5,904,800	-
	<u>1,353,624,275</u>	<u>978,499,352</u>
<i>Net cash generated from financing activities</i>	1,353,624,275	978,499,352
<i>Net increase in cash and cash equivalents (A + B + C)</i>	518,880,136	220,637,541
<i>Cash and cash equivalents at the beginning of the period</i>	66,925,706	46,106,465
<i>Cash and cash equivalents at the end of the period</i>	<u>585,805,842</u>	<u>266,744,006</u>

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

Karachi: 27th May, 2014

  
Chief Executive

  
Director



# ADAM SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED MARCH 31, 2014

	Share Capital	Reserves		Total
		General Reserves	Accumulated Profit	
-----Rupees-----				
<b>Balance as at October 1, 2012</b>	57,636,540	200,000,000	112,185,754	369,822,294
<b>Loan from director</b>				
Recognized profit for the six months October 2012 to March 2013			92,928,073	92,928,073
<b>Other Comprehensive Income</b>				
Incremental depreciation net of deferred tax transferred from surplus on revaluation of fixed assets			5,373,051	5,373,051
<b>Advance for right issue of shares</b>			98,301,124	
<b>Transactions with owners</b>				
Final dividend paid @ 25% (Rs. 2.5 per share) for the year ended September 30, 2012			(14,409,135)	(14,409,135)
<b>Balance as at March 31, 2013</b>	<b>57,636,540</b>	<b>200,000,000</b>	<b>196,077,743</b>	<b>453,714,283</b>
<b>Balance as at October 1, 2013</b>	57,636,540	200,000,000	192,807,255	453,714,283
<b>Total Comprehensive Income</b>				
Recognized loss for the six months October 2013 to March 2014			(17,366,391)	(17,366,391)
<b>Other Comprehensive Income</b>				
Incremental depreciation net of deferred tax transferred from surplus on revaluation of fixed assets			6,459,972	6,459,972
<b>Total Comprehensive income for the period</b>			(10,906,419)	
<b>Transactions with owners</b>				
Final dividend paid @ 25% (Rs. 2.5 per share) for the year ended September 30, 2013			(14,409,135)	(14,409,135)
<b>Balance as at March 31, 2014</b>	<b>57,636,540</b>	<b>200,000,000</b>	<b>167,491,701</b>	<b>428,398,229</b>

The annexed notes form an integral part of these financial statements

Karachi: 27th May, 2014

  
Chief Executive

  
Director



# ADAM SUGAR MILLS LIMITED

---

---

## NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED) FOR THE SIX MONTHS ENDED MARCH 31, 2014

### **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**

#### **2.1 Statement of compliance**

This condensed interim financial report of the company for the six months period ended March 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial report is unaudited but subject to limited scope review by auditors. This condensed interim financial report do not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2013. The figures in comparative condensed interim balance sheet are taken from audited financial statements for the year ended September 30, 2013 whereas comparative figures of other components of this condensed interim financial information are taken from condensed interim financial information for the half year or quarter ended March 31, 2013.

#### **2.2 Functional presentation currency**

This condensed interim financial report has been presented in Pakistan Rupees, which is the functional currency of the Company.

### **3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report is the same as those applied in the preparation of the financial statements for the year ended September 30, 2013.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after October 1, 2013 but are considered not to be relevant or have any significant effect on the Company's operation and are therefore not detailed in this condensed interim financial report.

### **4 ESTIMATES**

The preparation of this condensed interim financial report 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 report, 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, 2013.

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, 2013.



# ADAM SUGAR MILLS LIMITED

		<i>March 31, 2014 (Unaudited) Rupees</i>	<i>September 30, 2013 (Audited) Rupees</i>
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>1,423,313,078</b>	1,408,055,187
Capital work-in-progress	5.4	<b>9,785,760</b>	-
		<b><u>1,433,098,838</u></b>	<b><u>1,408,055,187</u></b>
<b>5.1 Operating fixed assets</b>			
Opening written down value		<b>1,408,055,187</b>	882,595,204
Additions to fixed assets - tangible	5.2	<b>53,659,752</b>	611,593,129
Disposals of fixed assets at WDV - tangible	5.3	-	(19,093,653)
Depreciation charged		<b>(38,401,861)</b>	(67,039,493)
		<b><u>1,423,313,078</u></b>	<b><u>1,408,055,187</u></b>
<b>5.2 Additions to fixed assets - tangible</b>			
Freehold land		-	5,127,093
Factory building on free hold land		<b>2,085,247</b>	29,056,618
Electric Equipment		<b>542,210</b>	-
Air Conditioners & Refrigerator		<b>146,464</b>	-
Plant and machinery		<b>48,426,434</b>	564,376,111
Computer and other equipments		<b>68,927</b>	326,610
Vehicles		<b>1,320,318</b>	12,189,871
Furniture and fixture		<b>19,815</b>	516,826
Water connection and electric installation		<b>432,480</b>	-
Tools and other equipments		<b>375,597</b>	-
Arms and ammunition		<b>242,260</b>	-
		<b><u>53,659,752</u></b>	<b><u>611,593,129</u></b>
<b>5.3 Disposals of fixed assets at WDV - tangible</b>			
Vehicles - WDV		-	388,908
<b>5.4 Capital work-in-progress</b>			
Factory building - Civil works	5.4.1	<b>9,785,760</b>	-
		<b><u>9,785,760</u></b>	<b><u>-</u></b>
<b>5.4.1 Factory building - Civil works</b>			
Opening		-	26,486,812
Additions		<b>9,785,760</b>	-
Transferred to operating assets		-	(26,486,812)
Closing		<b><u>9,785,760</u></b>	<b><u>-</u></b>



# ADAM SUGAR MILLS LIMITED

	<i>Note</i>	<i>March 31, 2014 (Unaudited) Rupees</i>	<i>September 30, 2013 (Audited) Rupees</i>
<b>6 INTANGIBLE ASSET</b>			
<b>Computer software</b>			
Cost		<b>1,209,500</b>	1,209,500
Amortization	6.1	<b>(903,166)</b>	(782,216)
		<b>306,334</b>	427,284
<b>6.1</b>	This is amortized at the rate of 20% per annum on straight line basis from the month of purchase.		
<b>7 STOCK IN TRADE</b>			
Sugar in process		<b>6,995,004</b>	4,713,821
Sugar - Finished good		<b>2,498,126,377</b>	1,776,999,151
Molasses		<b>115,270,560</b>	7,070,960
		<b>2,620,391,941</b>	1,788,783,932
<b>8 TRADE DEBTS</b>			
- Considered good		<b>37,805,574</b>	37,805,574
The company has filed case in Honourable 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 Honorable 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 recorded receivable amounting to Rs.37,507,900 at Rs.38/kg.			
<b>9 LOANS AND ADVANCES</b>			
<b>Loans</b>			
<b>Considered good</b>			
- staff		<b>1,769,028</b>	1,609,648
<b>Advances</b>			
<b>Considered good</b>			
- growers		<b>63,199,470</b>	19,472,997
- suppliers		<b>17,130,307</b>	22,884,510
- expenses		<b>598,297</b>	38,534,897
- income tax		<b>73,149,191</b>	219,260
		<b>154,077,265</b>	81,111,664
		<b>155,846,293</b>	82,721,312
<b>10 CASH AND BANK BALANCES</b>			
Cash in hand		<b>2,765,430</b>	471,984
<b>Cash at banks</b>			
Current accounts		<b>499,897,769</b>	35,167,245
Deposit accounts		<b>83,142,643</b>	31,286,477
		<b>583,040,412</b>	66,453,722
		<b>585,805,842</b>	66,925,706



# ADAM SUGAR MILLS LIMITED

		<i>March 31, 2014</i>	<i>September 30, 2013</i>
		<i>(Unaudited)</i>	<i>(Audited)</i>
		<i>Rupees</i>	<i>Rupees</i>
<b>11 SUBORDINATED LOAN FROM DIRECTOR</b>			
- Related party	<i>Note</i>		
Loan from chief executive		<b>233,878,937</b>	239,324,437
Current maturity	15	<b>(208,919,225)</b>	-
		<b>24,959,712</b>	<b>239,324,437</b>

This is an interest free and unsecured loan from Chief Executive of the company and the portion transferred to current maturity of long term loan due to repayment of loan in subsequent period.

## 12 LONG TERM FINANCES

### From banking companies - Secured

Term Loan		<b>372,124,300</b>	368,162,100
Current maturity shown under current liabilities	15	<b>(50,000,000)</b>	(50,000,000)
		<b>322,124,300</b>	<b>318,162,100</b>

12.1 This represents term loan of Rs.200 million and carries mark up at the rate of average of three months KIBOR plus 2.5%. The loan is payable in 8 equal semi annual installments of Rs.25 million starting from November 11, 2013. The loan is secured against first equitable mortgage over mill premises and first pari passu charge of Rs.267 million on the present and future fixed assets of the Company.

## 13 DEFERRED LIABILITIES

Deferred taxation		<b>303,180,308</b>	288,835,357
Staff retirement benefits		<b>1,451,994</b>	1,686,706
		<b>304,632,302</b>	<b>290,522,063</b>

## 14 SHORT TERM BORROWINGS

### Unsecured

from chief executive	14.1	<b>543,727,133</b>	544,527,133
----------------------	------	--------------------	-------------

### Secured

from banking companies	14.2	<b>1,899,984,309</b>	549,981,534
		<b>2,443,711,442</b>	<b>1,094,508,667</b>

14.1 This represent an interest free short term loan from Chief Executive of the Company.

14.2 These finances are secured against pledge of refined white sugar and personal guarantee of directors and chief executive of the Company. Mark up is at the rates of three months KIBOR + 1.75% to three months KIBOR + 2.50% payable on quarterly / semi-annually basis. The maximum amount of facilities available are Rs. 2.70 billion.

## 15 CURRENT MATURITY OF LONG TERM LOAN

Current maturity of - Loan from director	11	<b>208,919,225</b>	-
Current maturity of - Term Loan	12	<b>50,000,000</b>	50,000,000
		<b>258,919,225</b>	<b>50,000,000</b>

## 16 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, 2013.



# ADAM SUGAR MILLS LIMITED

<i>Half year Ended</i>		<i>Quarter Ended</i>	
<i>March 31,</i>		<i>March 31,</i>	
<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
<i>----- Rupees -----</i>			

## 17 SALES - NET

Sales - sugar	<b>1,697,801,201</b>	1,248,091,920	<b>471,143,176</b>	704,732,520
Sales - molasses	<b>109,000,000</b>	102,842,325	<b>101,064,700</b>	100,903,350
Federal excise duty	<b>(124,312,738)</b>	(92,451,253)	<b>(38,647,448)</b>	(52,202,409)
	<b>1,682,488,463</b>	1,258,482,992	<b>533,560,428</b>	753,433,461

## 18 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: -

	<i>Half year Ended</i>		<i>Quarter Ended</i>	
	<i>March 31,</i>		<i>March 31,</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>----- Rupees -----</i>			
Receipt of unsecured short term borrowings from the Chief Executive	<b>31,200,000</b>	-	-	-
Repayment of unsecured short term borrowings from the Chief Executive	<b>32,000,000</b>	71,500,000	<b>12,200,000</b>	71,000,000
Purchases of oil and lubricants - from associated undertaking	<b>6,445,231</b>	8,126,373	<b>716,126</b>	3,773,495
Payment to associated undertaking against oil and lubricants	<b>6,417,081</b>	8,073,633	<b>643,128</b>	3,720,755
Remuneration and other benefits of Chief Executive and Directors	<b>332,250</b>	332,250	<b>166,125</b>	166,125

## 19 NON ADJUSTING EVENT

The Company is in process of issuing right shares in proportion of 2 shares for every 1 share already held (i.e. 200%). The company has received Rs. 5,904,800 upto March 31, 2014 in respect of right shares. As all formalities pertaining to right shares are not complete by the period ended March 31, 2014, the right issue is treated as non adjusting event.

## 20 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on 27 May, 2014 by the Board of Directors of the Company.

## 21 GENERAL

21.1 Figures for the quarters ended March 31, 2014 were not subject to limited scope review by the auditors.

21.2 Figures have been rounded off to the nearest rupees.

Karachi: 27th May, 2014

  
Chief Executive

  
Director