

ADAM SUGAR MILLS LIMITED



HALF YEARLY REPORT

**FOR THE THE HALF YEAR ENDED
31st MARCH, 2019
(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

BOAR OF DIRECTORS

MR. JAWAID AHMED
MR. GHULAM AHMED ADAM
MR. SYED NAZAR MAHMOOD SHAH
LT. COL. (RTD) MUHAMMAD MUJTABA
MR. JUNAID G. ADAM
MR. OMAR G. ADAM
MR. MUSTAFA G. ADAM

AUDIT COMMITTEE

CHAIRMAN
MEMBER
MEMBER

MR. SYED NAZAR MAHMOOD SHAH
MR. MUSTAFA G. ADAM
MR. JAWAID AHMED

HUMAN RESOURCES AND REMUNERATION COMMITTEE

CHAIRMAN
MEMBER
MEMBER

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

DIRECTOR FINANCE /
CORPORATE SECRETARY

QAMAR RAFI KHAN
Chartered Accountant

HEAD OF INTERNAL AUDIT

NOMAN IQBAL

REGISTERED OFFICE

HAJI ADAM CHAMBERS,
ALTAF HUSSAIN ROAD,
NEW CHALLI, KARACHI-2
TEL NO. 32417812 & 32401139-43
FAX NO. 32427560
WEBSITE: www.adam.com.pk/adamsugar.html

FACTORY

CHAK NO. 4, FORDWAH, CHISHTIAN
DISTRIC BAHAWALNAGAR

STAUTORY AUDITORS

REHMAN SERFARAZ RAHIM IQBAL RAFIQ
CHARTERED ACCOUNTANTS

SHARE REGISTRAR

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



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 six months ended 31 March 2019.

The mills crushed 363,306 tons of sugarcane at an average recovery of 8.91% and produced 32,402 tons of sugar as compared to 606,623 tons of sugar cane at an average recovery of 9.53% and production of 57,835 tons of sugar in the previous period.

Sugarcane price fixed by the Government for Season 2018-2019 is RS.180/- per 40 KG

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.

(GHULAM AHMED ADAM)

CHIEF EXECUTIVE

Karachi: May 30, 2019



ADAM SUGAR MILLS LIMITED

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF ADAM SUGAR MILLS LIMITED

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Adam Sugar Mills Limited** as at **March 31, 2019** and the related condensed statement of profit or loss and other comprehensive income, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended March 31, 2019 and March 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2019.

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 statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Mr. Muhammad Waseem.

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Karachi

Date : May 30, 2019

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner: Muhammad Waseem



ADAM SUGAR MILLS LIMITED

ADAM SUGAR MILLS LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

		March 31 2019 (Unaudited)	September 30, 2018 (Audited)
	Note	----- Rupees -----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,820,642,912	1,814,627,166
Long term deposits		32,400	32,400
		<u>1,820,675,312</u>	<u>1,814,659,566</u>
Current assets			
Stores and spares		150,407,312	145,308,884
Stock in trade	6	1,649,575,231	1,244,944,640
Short term investments		23,636,474	23,636,474
Trade debts - considered good	7	38,457,116	57,530,400
Loans and advances	8	166,925,909	174,079,566
Deposits and prepayments		5,872,192	8,247,391
Rebate receivable		100,505,313	133,827,563
Others receivables - considered good		1,208,923	1,026,192
Interest accrued		2,554,990	2,349,331
Tax refunds due from government - net		58,893,891	66,715,790
Cash and bank balances	9	18,721,254	28,661,326
		<u>2,216,758,605</u>	<u>1,886,327,557</u>
Total assets		<u>4,037,433,917</u>	<u>3,700,987,123</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
<i>Authorized share capital</i>			
25,000,000 Ordinary shares of Rs. 10 each (September 30, 2018: 25,000,000)		<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid-up capital		172,909,620	172,909,620
Accumulated profit		16,597,692	185,203,797
Surplus on revaluation of property and plant		393,705,755	394,254,490
General reserve		200,000,000	200,000,000
Share premium		172,909,620	172,909,620
		<u>956,122,687</u>	<u>1,125,277,527</u>
Non-current liabilities			
Director's subordinated loan	10	21,953,455	21,008,091
Long term financing	11	227,270,213	282,285,660
Deferred liabilities		113,396,376	101,236,903
		<u>362,620,044</u>	<u>404,530,654</u>
Current liabilities			
Short term borrowings	12	1,687,454,722	1,233,855,153
Trade and other payables	13	875,356,933	794,899,332
Accrued markup		33,133,680	26,176,195
Current maturity of long term financing		109,844,813	103,408,730
Provident fund payable		7,201,381	7,139,875
Unclaimed dividend		5,699,657	5,699,657
		<u>2,718,691,186</u>	<u>2,171,178,942</u>
Contingencies and commitments	14		
Total equity and liabilities		<u>4,037,433,917</u>	<u>3,700,987,123</u>

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.


Chief Executive


Director


Chief Financial Officer



ADAM SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2019

Note	Six months period ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees			
Net Turnover	15 1,438,152,598	2,275,147,265	800,645,565	1,355,951,388
Cost of sales	(1,447,766,679)	(2,167,954,383)	(845,446,492)	(1,235,749,064)
Gross (loss)/profit	(9,614,081)	107,192,882	(44,800,927)	120,202,324
Administrative expenses	(41,695,152)	(46,726,542)	(21,800,395)	(30,965,878)
Selling expenses	(2,601,834)	(47,101,633)	(2,112,140)	(37,194,952)
	(44,296,986)	(93,828,175)	(23,912,535)	(68,160,830)
Operating (loss) / profit	(53,911,067)	13,364,707	(68,713,462)	52,041,494
Other operating income	3,417,882	11,350,003	2,820,119	11,157,300
	(50,493,185)	24,714,710	(65,893,343)	63,198,794
Financial charges	(92,368,107)	(68,294,487)	(68,559,609)	(44,202,306)
(Loss)/Profit before taxation	(142,861,292)	(43,579,777)	(134,452,952)	18,996,488
Taxation				
- Current	(14,261,069)	(6,880,827)	(6,292,231)	(6,480,248)
- Deferred	(12,565,852)	8,502,559	(12,565,852)	8,502,559
	(26,826,921)	1,621,732	(18,858,083)	2,022,311
(Loss) / profit after taxation	(169,688,213)	(41,958,045)	(153,311,035)	21,018,799
(Loss) / earning per share - Basic & diluted	(9.81)	(2.43)	(8.87)	1.22

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.


Chief Executive


Director


Chief Financial Officer

Karachi : 30th May, 2019



ADAM SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2019

	Six months period ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees			
(Loss) / profit for the period	(169,688,213)	(41,958,045)	(153,311,035)	21,018,799
Other comprehensive income for the period				
Reversal of deferred tax liability on revaluation surplus due to change in tax rate	533,373	2,053,571	533,373	-
Total comprehensive (loss) / profit for the period	(169,154,840)	(39,904,474)	(152,777,662)	21,018,799

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.


Chief Executive


Director


Chief Financial Officer

Karachi : 30th May, 2019



ADAM SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2019

	Six months period ended	
	March 31, 2019	March 31, 2018
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(142,861,292)	(43,579,777)
Adjustments for non cash charges and other items:		
Depreciation expense for the period	40,785,949	32,992,145
Finance cost	92,368,107	68,294,487
Provision for gratuity	149,160	120,941
	133,303,216	101,407,573
Operating profit before working capital changes	(9,558,076)	57,827,796
Working capital changes		
<i>(Increase) / decrease in current assets</i>		
Stores, spares and loose tools	(5,098,428)	(13,340,081)
Stock-in-trade	(404,630,591)	(548,080,141)
Trade debts and other receivables	19,073,284	8,561,440
Short term loans and advances	7,153,657	127,158,303
Deposits and prepayments	2,375,199	4,687,548
Interest accrued	(205,659)	(239,272)
Other Receivable	(182,731)	-
Rebate receivable	33,322,250	(190,930,801)
	(348,193,019)	(612,183,004)
<i>Increase in current liabilities</i>		
Provident fund payable	61,508	(31,093)
Trade and other payables	80,457,601	534,182,700
	(267,673,910)	(78,031,397)
Cash flow used in operating activities	(277,231,986)	(20,203,601)
Taxes paid	(6,439,170)	(9,124,179)
Gratuity paid	(22,166)	
Finance cost paid	(84,465,258)	(66,811,303)
Net cash flow used in operating activities	(368,158,580)	(96,139,083)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(46,801,697)	(209,884,549)
Cash flow used in investing activities	(46,801,697)	(209,884,549)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment) / proceeds from long term loan - net	(48,579,364)	227,382,637
Proceeds from short term loan - net	453,599,569	35,761,507
Net cash flow from financing activities	405,020,205	263,144,144
Net decrease in cash and cash equivalents	(9,940,072)	(42,879,488)
Cash and cash equivalents at the beginning of the period	52,297,800	94,104,443
Cash and cash equivalents at the end of the period	42,357,728	51,224,955
Cash and cash equivalents comprise of the following:		
- Cash and bank balances	18,721,254	27,706,801
- Short term investments	23,636,474	23,518,154
	42,357,728	51,224,955

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.


Chief Executive


Director


Chief Financial Officer



ADAM SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN AUDITED) FOR THE PERIOD ENDED MARCH 31, 2019

	Capital Reserves				Revenue Reserve	
	Share Capital	Share Premium	General reserve	Surplus on revaluation of Property and Equipment	Accumulated Profit	Total
	Rupees					
Balance as at October 01, 2017	172,909,620	172,909,620	200,000,000	393,910,254	213,429,359	1,153,158,853
Transferred from surplus on revaluation of property and equipment - net of tax	-	-	-	(1,116,782)	1,116,782	-
Reversal of deferred tax liability on revaluation surplus due to change in tax rate	-	-	-	2,053,571		2,053,571
Loss for the period ended March 31, 2018	-	-	-	-	(41,958,045)	(41,958,045)
Balances as at March 31, 2018 (Un-audited)	172,909,620	172,909,620	200,000,000	394,847,043	172,588,096	1,113,254,379
Balance as at October 01, 2018	172,909,620	172,909,620	200,000,000	394,254,490	185,203,797	1,125,277,527
Transferred from surplus on revaluation of property and equipment - net of tax	-	-	-	(1,082,108)	1,082,108	-
Reversal of deferred tax liability on revaluation surplus due to change in tax rate	-	-	-	533,373	-	533,373
Loss for the period ended March 31, 2019	-	-	-	-	(169,688,213)	(169,688,213)
Balances as at March 31, 2019 (Un-audited)	172,909,620	172,909,620	200,000,000	393,705,755	16,597,692	956,122,687

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.


Chief Executive


Director


Chief Financial Officer

Karachi : 30th May, 2019



ADAM SUGAR MILLS LIMITED

ADAM SUGAR MILLS LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2019

1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan in 1965 as a Public Limited Company and its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the manufacture and sale of sugar.

The geographical location and address of Company's business units, including plant are as under:

- The registered office of the Company is located at Haji Adam Chambers, 1st Floor, Altaf Hussain Road, New Challi, Karachi
- The Company's manufacturing plant/mill is located at Chak No.4, Fordwah, Chishtian District Bhawalnagar.

1.1 SEASONALITY OF OPERATIONS

Due to the seasonal availability of sugarcane, operating results are expected to fluctuate in the second half of the year. The crushing season starts from November and last till April each year.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are unaudited but subject to limited scope review by the statutory auditors as required by the Code of Corporate Governance. The figures of the condensed interim profit or loss and condensed interim statement of comprehensive income for the quarters ended March 31, 2019 and 2018 have not been reviewed by the statutory auditors of the Company as they have reviewed the cumulative figures for the half year ended March 31, 2019 and 2018.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended September 30, 2018.



ADAM SUGAR MILLS LIMITED

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except that the land, buildings and Plant & Machinery are stated at fair values determined by an independent valuer.

2.3 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency, unless otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended September 30, 2018 except those stated in note 3.2 (a) below:

3.2 Change in accounting standards, interpretation and amendments to published approved accounting and reporting standards

- (a) **New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the half year ended March 31, 2019 and are relevant.**

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

In addition to that a new standard (i.e. IFRS 15) has become applicable to the Company effective October 1, 2018. Because of this new standard certain changes to the Company's accounting policies have been made as follows:

The Company uses the five-step model of revenue recognition as described in IFRS 15 *Revenue from Contracts with Customers*. In particular, the Company has the following policies with respect to identification of performance obligations, allocation of the transaction price and recognition of revenue allocated to each performance obligation.

Identification of performance obligations:

At the inception of each contract entered into with a customer, the Company identifies the good promised in the contract.

Allocation of the transaction price:

The Company determines the transaction price in accordance with the requirements of IFRS 15 and allocates it to each of the performance obligations identified in the contract based on the relative stand-alone selling prices of the services (whether directly observable or estimable).



ADAM SUGAR MILLS LIMITED

Recognition of revenue allocated to each performance obligation:

The Company recognises the revenue from each performance obligation over time based on the measure of progress towards complete satisfaction of the performance obligation. This is based on the Company's assessment that the customer simultaneously receives, and consumes the benefits embodied in, the services.

The Company's approach to assessment of measure of progress towards complete satisfaction of performance obligation depends on the lifting of sugar.

(b) Standards, interpretations and amendments to published approved accounting standards are effective but not relevant

There are other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after October 1, 2018 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

(c) New standards and amendments to published approved accounting and reporting standards that are not yet effective

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2019 that may have an impact on the financial statements of the Company.

IFRS 9 'Financial instruments' - This standard is effective for periods beginning from or after July 1, 2019. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

IFRS 16 'Leases' - This standard is effective for periods beginning from or after January 1, 2019. IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its condensed interim financial statements.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1** The preparation of condensed interim financial information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 4.2** The significant judgments made by management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended September 30, 2018
- 4.3** The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements as at and for the year ended September 30, 2018.



ADAM SUGAR MILLS LIMITED

		2019 (Unaudited) Rupees	2018 (Audited) Rupees
5	PROPERTY, PLANT AND EQUIPMENT	Note	
	Operating fixed assets	5.1	1,819,041,543
	Capital work-in-progress		1,601,369
			<u>1,820,642,912</u>
5.1	Operating fixed assets		
	Opening written down value		1,814,627,164
	Additions during the period / year	5.2	45,200,328
	Disposals during the period / year		-
	Depreciation for the period / year		(40,785,949)
			<u>1,819,041,543</u>
5.2	Additions to operating fixed assets		
	Freehold land		-
	Factory buildings on freehold land		356,260
	Plant and machinery		33,464,959
	Building construction machinery		-
	Vehicles		122,479
	Computer and other equipment		162,893
	Furniture and fixtures		56,067
	Electrical equipment		-
	Water connections and electrical installations		2,240,244
	Tools and other equipment		8,797,426
	Air conditioners and refrigerators		-
			<u>45,200,328</u>
6	STOCK IN TRADE		
	Sugar in process		3,690,363
	Sugar-finished good		1,645,884,868
	Molasses		-
			<u>1,649,575,231</u>
7	TRADE DEBTS-considered good		
	Local debtors-unsecured	7.1	38,457,116
7.1	This includes receivable from Province of Punjab through District Collector Bhawalnagar amounting to Rs. 37.5 million (2018:Rs. 37.5 million)		



ADAM SUGAR MILLS LIMITED

	March 31, 2019 (Unaudited) Rupees	September 30, 2018 (Audited) Rupees
8 LOANS AND ADVANCES		
Loans-considered good		
- Staff	3,778,106	1,980,290
Advances-considered good		
- Growers	3,720,315	4,031,338
- Suppliers	158,595,736	167,324,213
- Staff for expenses	831,752	743,725
	163,147,803	172,099,276
	166,925,909	174,079,566
9 CASH AND BANK BALANCES		
Cash in hand	420,073	9,431,198
Cash at banks		
- Current accounts	17,967,887	18,848,176
- Deposit accounts	333,294	381,952
	18,301,181	19,230,128
	18,721,254	28,661,326
10 DIRECTOR'S SUBORDINATED LOAN		
Balance as at the beginning of the period/year	21,008,091	19,273,478
Unwinding of imputed interest	945,364	1,734,613
	21,953,455	21,008,091
10.1	This represents an interest free and unsecured long term loan obtained from Chief Executive of the Company for working capital purposes. The loan is repayable in September 2020 and is being amortized at an imputed interest rate of 9% per annum.	
11 LONG TERM FINANCES	March 31, 2019 (Unaudited) Rupees	September 30, 2018 (Audited) Rupees
<i>From banking companies-Secured</i>		
Habib Bank Limited	43,877,453	57,734,595
JS Bank Limited	155,737,573	177,959,795
Al Baraka Bank Limited	137,500,000	150,000,000
	337,115,026	385,694,390
Current maturity shown under current liabilities	(109,844,813)	(103,408,730)
	227,270,213	282,285,660



ADAM SUGAR MILLS LIMITED

		March 31, 2019 (Unaudited) Rupees	September 30, 2018 (Audited) Rupees
12 SHORT TERM BORROWINGS			
Unsecured-interest free			
- from chief executive		32,164,394	32,164,394
Secured-profit/interest bearing			
- from conventional banking companies	12.1	855,293,032	1,031,690,759
- from Islamic banking companies	12.2	799,997,296	170,000,000
		1,655,290,328	1,201,690,759
		1,687,454,722	1,233,855,153

12.1 This represents short term credit facilities available from various banking companies and aggregate unavailed as at March 31, 2019 amounting to Rs. 294.70 million (September 30, 2018 : Rs. 318.13 million). These facilities are secured against pledge of white refined sugar, equitable mortgage on property of directors to the extent of market value, ranking charge over current and fixed assets and subordination of director's loan and personal guarantee of Chief executive. Rate of mark up ranges from 1 month KIBOR + 1.25% to 3 months KIBOR + 1.75% (September 30, 2018: 1 month KIBOR + 1.25% to 3 months KIBOR + 5%).

12.2 This represents Wakala Istithmar, Istisna and Salam finance facilities available from various Islamic banking companies and aggregate unavailed as at March 31, 2019 amounting to Rs. NIL (September 30, 2018 : 30 million). These facilities are secured against pledge of refined sugar, first paripassu charge over plant and machinery, ranking charge over present and future current assets and subordination of director's loan and personal guarantee of Chief executive. Rate of profit is 3 month KIBOR + 2 % to 6 month KIBOR +2.25%(September 30, 2018: 3 month KIBOR + 2 %).

	March 31, 2019 (Unaudited) Rupees	September 30, 2018 (Audited) Rupees
13 TRADE AND OTHER PAYABLES		
Trade creditors	552,655,275	567,383,891
Accrued liabilities	221,888,972	137,704,201
Advance from customers	86,841,304	75,834,858
Retention Money	99,121	104,121
Workers Welfare Fund	11,858,137	11,858,137
Others	2,014,124	2,014,124
	875,356,933	794,899,332

14 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments as reported in audited financial statements for the year ended September 30, 2018.



ADAM SUGAR MILLS LIMITED

	Six months period ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
15 SALES - NET	Rupees			
Sales Gross				
Sugar - Local	1,452,851,533	1,469,820,200	768,155,533	755,052,933
Sugar - Export	-	689,772,836	-	497,835,400
Molasses	147,737,175	72,565,973	127,073,385	66,494,332
	1,600,588,708	2,232,159,009	895,228,918	1,319,382,665
Export rebate	-	190,930,801	-	143,852,541
Sales tax	(162,436,110)	(147,942,545)	(94,583,353)	(107,283,818)
	1,438,152,598	2,275,147,265	800,645,565	1,355,951,388

16 RELATED PARTY TRANSACTIONS

Related parties comprise associated undertakings, staff provident fund, major shareholders, directors, key management personnel of the Company and their close family members. Transaction with related parties are on arm's length basis. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Transaction with related parties during the year, other than those disclosed elsewhere in these financial statements are as follows:

	(Un-Audited) March 31 2019	(Un-Audited) March 31 2018
	Rupees	
Transactions during the period		
Remuneration to chief executive and directors	2,245,000	2,475,000
Purchase of oil and lubricants from associated undertakings	6,858,330	9,121,073
Payment to associated undertakings against purchase of oil and lubricants	8,907,580	7,000,000
	(Un-Audited) March 31 2019	(Audited) September 30, 2018
	Rupees	
Balances at year end		
Short term borrowings from chief executive	32,164,394	32,164,394
Payable to Adam Lubricants Limited	2,946,336	897,086



ADAM SUGAR MILLS LIMITED

17 FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The management is of the view that the fair values of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

	Level 1	Level 2	Level 3
		(Rupees)	
As on March 31, 2019			
Property, plant and equipment	-	1,759,201,134	-
As on September 30, 2018			
Property, plant and equipment	-	1,762,353,132	-

18 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation the effect of which is not deemed to be material.

19 AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue in the Board of Directors meeting held on May 30, 2019.

20 GENERAL

Figure have been rounded off to the nearest rupee.


Chief Executive


Director


Chief Financial Officer