

# **ADAM SUGAR MILLS LIMITED**



## **QUARTERLY REPORT**

**FOR THE THIRD QUARTER ENDED  
30 June, 2019  
(UN-AUDITED)**



## 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
Statement of Financial Position .....	3
Statement of Profit or Loss .....	4
Statement of Comprehensive Income .....	5
Statement of Cash Flow .....	6
Statement of Changes in Equity .....	7
Notes to the Financial Statement .....	8



## 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

MR. SYED NAZAR MAHMOOD SHAH

#### MEMBER

MR. MUSTAFA G. ADAM

#### MEMBER

MR. JAWAID AHMED

### HUMAN RESOURCES AND REMUNERATION COMMITTEE

#### CHAIRMAN

LT. COL. (RTD) MUHAMMAD MUJTABA

#### MEMBER

MR. OMAR G. ADAM

#### MEMBER

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](http://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  
4<sup>TH</sup> 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 third quarter ended June 30, 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 sugarcane 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: July 26, 2019



# ADAM SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT JUNE 30, 2019

	Note	June 30, 2019 Rupees (Unaudited)	September 30, 2018 Rupees (Audited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	1,800,063,726	1,814,627,166
Long term deposits		32,400	32,400
		<b>1,800,096,126</b>	1,814,659,566
<b>Current Assets</b>			
Stores and spares		152,282,472	145,308,884
Stock in trade	6	1,152,876,152	1,244,944,640
Short term investments		23,636,475	23,636,474
Trade debts - considered good	7	37,818,116	57,530,400
Loans and advances - considered good	8	175,651,069	174,079,566
Deposits and prepayments		3,641,424	8,247,391
Rebate receivable		10,822,087	133,827,563
Others receivables - considered good		1,208,922	1,026,192
Interest accrued		2,641,953	2,349,331
Tax refunds due from government - net		47,512,494	66,715,790
Cash and bank balances	9	128,382,091	28,661,326
		<b>1,736,473,255</b>	1,886,327,557
		<b>3,536,569,381</b>	3,700,987,123
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized Share Capital 25,000,000 ordinary shares of Rs 10/= each		250,000,000	250,000,000
Issued, subscribed and paid up capital		172,909,620	172,909,620
Accumulated profit		34,228,592	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
		<b>973,753,587</b>	1,125,277,527
<b>Non-Current Liabilities</b>			
Director's subordinated loan	10	22,426,137	21,008,091
Long term financing	11	194,297,990	282,285,660
Deferred liabilities		112,992,290	101,236,903
		<b>329,716,417</b>	404,530,654
<b>Current Liabilities</b>			
Short term borrowings	12	1,668,533,022	1,233,855,153
Trade and other payables	13	384,027,562	794,899,332
Accrued markup		56,788,389	26,176,195
Current maturity of long term financing		110,844,813	103,408,730
Provident fund payable		7,205,935	7,139,875
Unclaimed dividend		5,699,657	5,699,657
		<b>2,233,099,378</b>	2,171,178,942
Contingencies and commitments	14		
		<b>3,536,569,381</b>	3,700,987,123

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information

  
Chief Executive

  
Director

  
Chief Financial Officer



# ADAM SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED) FOR THE PERIOD ENDED JUNE 30, 2019

		For third quarter ended		For quarter ended	
	Note	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
		Rupees			
Net Turnover	15	2,092,528,081	3,368,004,863	654,375,483	1,092,857,598
Cost of sales		(1,996,995,052)	(3,214,694,662)	(549,228,373)	(1,046,740,279)
Gross profit		95,533,029	153,310,201	105,147,110	46,117,319
Administrative expenses		(57,140,969)	(62,856,371)	(15,445,817)	(16,129,829)
Selling expenses		(2,996,422)	(49,590,561)	(394,588)	(2,488,928)
		(60,137,391)	(112,446,932)	(15,840,405)	(18,618,757)
Operating profit		35,395,638	40,863,269	89,306,705	27,498,562
Other operating income		3,905,235	13,469,509	487,353	2,119,506
		39,300,873	54,332,778	89,794,058	29,618,068
Financial charges		(153,011,570)	(85,478,586)	(60,643,463)	(17,184,099)
(Loss)/Profit before taxation		(113,710,697)	(31,145,808)	29,150,595	12,433,969
<b>Taxation</b>					
- Current		(25,780,764)	(19,191,621)	(11,519,695)	(12,310,794)
- Deferred		(12,565,852)	22,750,980	-	14,248,421
		(38,346,616)	3,559,359	(11,519,695)	1,937,627
Net (loss) / profit after taxation		(152,057,313)	(27,586,449)	17,630,900	14,371,596
<b>(Loss) / earning per share - Basic &amp; diluted</b>		<b>(8.79)</b>	<b>(1.60)</b>	<b>1.02</b>	<b>0.83</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information

  
Chief Executive

  
Director

  
Chief Financial Officer



# ADAM SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD ENDED JUNE 30, 2019

	For third quarter ended June 30, 2019	June 30, 2018	For quarter ended June 30, 2019	June 30, 2018
	Rupees			
(Loss) / profit after taxation	(152,057,313)	(27,586,449)	17,630,900	14,371,596
Other comprehensive income				
Remeasurement of defined benefit liability	-	-	-	-
Decrease in deferred tax liability on surplus on revaluation of fixed assets due to change in tax rate	533,373	2,053,571	-	-
	533,373	2,053,571	-	-
Total comprehensive (loss) / Income	<u>(151,523,940)</u>	<u>(25,532,878)</u>	<u>17,630,900</u>	<u>14,371,596</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information

  
Chief Executive

  
Director

  
Chief Financial Officer



# ADAM SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE PERIOD ENDED JUNE 30, 2019

	Nine months period ended	
	June 30, 2019	June 30, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Rupees</b>	
Loss before taxation	(113,710,697)	(31,145,808)
<b>Adjustments for non cash charges and other items:</b>		
Depreciation expense for the period	61,612,850	52,742,059
Finance cost	153,011,570	85,478,586
(Loss) / Gain on disposal of property, plant and equipment	-	-
Provision for gratuity	149,160	120,941
<b>Operating profit before working capital changes</b>	<b>214,773,580</b>	<b>138,341,586</b>
<b>Working capital changes</b>	<b>101,062,883</b>	<b>107,195,778</b>
<i>(Increase) / decrease in current assets</i>		
Stores, spares and loose tools	(6,973,588)	(11,254,609)
Stock-in-trade	92,068,488	193,992,812
Trade debts and other receivables	19,712,284	8,811,440
Short term loans and advances	(1,571,503)	41,912,490
Deposits and prepayments	4,605,967	4,507,548
Interest accrued	(292,622)	(500,368)
Other Receivable	(182,730)	-
Rebate receivable	123,005,476	(119,074,876)
<i>Increase in current liabilities</i>	<b>230,371,772</b>	<b>118,394,437</b>
Provident fund payable	66,060	-
Trade and other payables	(410,871,770)	(124,980,789)
<b>Cash flow used in operating activities</b>	<b>(180,433,939)</b>	<b>(6,586,352)</b>
	<b>(79,371,056)</b>	<b>100,609,426</b>
Taxes paid	(6,478,272)	649,217
Gratuity paid	(22,166)	-
Finance cost paid	(120,981,330)	(61,619,734)
<b>Net cash flow used in operating activities</b>	<b>(206,852,823)</b>	<b>39,638,909</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(47,791,895)	(236,100,876)
Proceeds from disposal of property, plant and equipment	239,202	-
<b>Cash flow used in investing activities</b>	<b>(47,552,693)</b>	<b>(236,100,876)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loan (repaid) / obtained- net	(80,551,587)	180,579,843
Short term loan obtained / (repaid)- net	434,677,869	(15,590,145)
<b>Net cash flow from financing activities</b>	<b>354,126,282</b>	<b>164,989,698</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>99,720,765</b>	<b>(31,472,269)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>52,297,800</b>	<b>94,104,443</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>152,018,565</b>	<b>62,632,174</b>
Cash and cash equivalents comprise of the following:		
- Cash and bank balances	128,382,091	39,114,020
- Short term investments	23,636,475	23,518,154
	<b>152,018,565</b>	<b>62,632,174</b>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information

  
Chief Executive

  
Director

  
Chief Financial Officer





# ADAM SUGAR MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED JUNE 30, 2019

	Capital Reserves			Revenue Reserve	Total
	Share Capital	Share Premium	General reserve	Surplus on revaluation of Property and Equipment Accumulated Profit	
<b>Balance as at October 01, 2017</b>	172,909,620	172,909,620	200,000,000	393,910,254	1,153,158,853
Loss for the period ended June 30, 2018	-	-	-	(27,586,449)	(27,586,449)
Transferred from surplus on revaluation of property and equipment - net of tax	-	-	-	(1,116,782)	-
Reversal of deferred tax liability on revaluation surplus due to change in tax rate	-	-	-	2,053,571	2,053,571
<b>Balance as at June 30, 2018</b>	<u>172,909,620</u>	<u>172,909,620</u>	<u>200,000,000</u>	<u>394,847,043</u>	<u>1,127,625,975</u>
<b>Balance as at October 01, 2018</b>	<b>172,909,620</b>	<b>172,909,620</b>	<b>200,000,000</b>	<b>394,254,490</b>	<b>1,125,277,527</b>
Loss for the period ended June 30, 2019	-	-	-	(152,057,313)	(152,057,313)
Transferred from surplus on revaluation of property and equipment - net of tax	-	-	-	(1,082,108)	-
Reversal of deferred tax liability on revaluation surplus due to change in tax rate	-	-	-	533,373	533,373
<b>Balance as at June 30, 2019</b>	<u><b>172,909,620</b></u>	<u><b>172,909,620</b></u>	<u><b>200,000,000</b></u>	<u><b>393,705,755</b></u>	<u><b>973,753,587</b></u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial information

  
Chief Executive

  
Director

  
Chief Financial Officer



## NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED) FOR THE PERIOD ENDED JUNE 30, 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.

### SEASONALITY OF OPERATIONS

- 1.1 Due to the seasonal availability of sugarcane, operating results are expected to fluctuate in the last quarter 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 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.

#### 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, interpretations 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 year ended September 30, 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).

#### *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 that 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.

		June 30, 2019 (Unaudited) Rupees	September 30, 2018 (Audited) Rupees
<b>5</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>Note</b>	
	Operating fixed assets	5.1	1,798,336,071
	Capital work-in-progress		1,814,627,166
			<u>1,727,655</u>
			<u>1,800,063,726</u>
<b>5.1</b>	<b>Operating fixed assets</b>		
	Opening written down value	5.2	1,814,123,883
	Additions to fixed assets - tangible		1,547,153,309
	Depreciation charged		339,575,830
	Disposal of Fixed Assets		(61,612,850)
			(72,101,973)
			<u>(239,202)</u>
			<u>1,798,336,071</u>
<b>5.2</b>	<b>Additions to fixed assets - tangible</b>		
	Factory Buildings on freehold land		34,077,838
	Plant and Machinery		282,137,317
	Building Construction Machinery		12,315,123
	Vehicles		4,559,474
	Computer & Other Equipments		77,220
	Furniture & Fixtures		110,909
	Electrical Equipment		4,656,688
	Water Connection & Electrical Installations		893,191
	Tools And Other Equipments		669,570
	Air Conditioners & Refrigerators		78,500
			<u>46,064,240</u>
<b>6</b>	<b>STOCK IN TRADE</b>		
	Sugar in process		4,843,350
	Sugar - finished goods		1,216,194,253
	Molasses		23,907,037
			<u>1,244,944,640</u>
			<u>1,152,876,152</u>



# ADAM SUGAR MILLS LIMITED

	Note	June 30, 2019 (Unaudited) Rupees	September 30, 2018 (Audited) Rupees
<b>7</b>	<b>TRADE DEBTORS -Considered good</b>		
	Local debtors - unsecured	<b>37,818,116</b>	57,530,400
<b>7.1</b>	This includes receivable from Province of Punjab through District Collector Bhawalnagar amounting to Rs. 37.5 million (2018:Rs. 37.5 million)		
		June 30, 2019 (Unaudited) Rupees	September 30, 2018 (Audited) Rupees
<b>8</b>	<b>LOANS AND ADVANCES - [considered good]</b>		
	Loan to staff	<b>4,175,081</b>	1,980,290
	<b>Advances:</b>		
	- to growers	<b>3,285,865</b>	4,031,338
	- to suppliers	<b>167,426,571</b>	167,324,213
	- to staff for expenses	<b>763,552</b>	743,725
		<b>171,475,988</b>	172,099,276
		<b>175,651,069</b>	174,079,566
<b>9</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	<b>408,508</b>	9,431,198
	Cash at bank - current accounts	<b>124,091,929</b>	18,848,176
	Cash at bank - deposit accounts	<b>3,881,654</b>	381,952
		<b>127,973,583</b>	19,230,128
		<b>128,382,091</b>	28,661,326
<b>10</b>	<b>DIRECTOR'S SUBORDINATED LOAN</b>		
	Balance as at October 01,	<b>21,008,091</b>	19,273,478
	Add: Unwinding of director loan during the year	<b>1,418,046</b>	1,734,613
		<b>22,426,137</b>	21,008,091
<b>10.1</b>	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.		
<b>11</b>	<b>LONG TERM FINANCING</b>		
	<b>From banking company - Secured</b>		
	Habib Bank Limited	<b>43,877,453</b>	57,734,595
	JS Bank Limited	<b>133,515,350</b>	177,959,795
	Al Baraka Bank Limited	<b>127,750,000</b>	150,000,000
		<b>305,142,803</b>	385,694,390
	Current maturity shown under current liabilities	<b>(110,844,813)</b>	(103,408,730)
		<b>194,297,990</b>	282,285,660



# ADAM SUGAR MILLS LIMITED

		June 30, 2019 (Unaudited) Rupees	September 30, 2018 (Audited) Rupees
<b>12</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>Unsecured - interest free</b>		
	- from chief executive	<b>32,164,394</b>	32,164,394
	<b>Secured - interest bearing</b>		
	- from banking companies	12.1 <b>1,037,369,428</b>	1,031,690,759
	- from Islamic banking companies	12.2 <b>598,999,200</b>	170,000,000
		<b>1,668,533,022</b>	<b>1,233,855,153</b>

**12.1** This represents short term credit facilities available from various banking companies and 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 Salam and Tijarah facilities available from various Islamic banking companies and 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 %).

## **13** TRADE AND OTHER PAYABLES

Trade creditors	<b>84,696,032</b>	567,383,891
Accrued liabilities	<b>242,483,472</b>	137,704,201
Advance from customers	<b>42,876,675</b>	75,834,858
Retention money	<b>99,121</b>	104,121
Workers Welfare Fund	<b>11,858,137</b>	11,858,137
Others	<b>2,014,124</b>	2,014,124
	<b>384,027,562</b>	<b>794,899,332</b>

## **14** 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, 2018.

	For third quarter ended		For quarter ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
<b>15</b>				
<b>SALES - NET</b>	<b>Rupees</b>			
<b>Sales Gross</b>				
Sugar- Local	<b>2,174,144,094</b>	2,379,530,400	<b>721,292,561</b>	909,710,200
Sugar- Export	-	863,335,817	-	173,562,981
Molasses	<b>150,334,625</b>	123,000,000	<b>2,597,450</b>	50,434,027
	<b>2,324,478,719</b>	3,365,866,217	<b>723,890,011</b>	1,133,707,208
Rebate	-	240,429,001	-	49,498,200
Sales Tax	<b>(231,950,638)</b>	(238,290,355)	<b>(69,514,528)</b>	(90,347,810)
	<b>2,092,528,081</b>	3,368,004,863	<b>654,375,483</b>	1,092,857,598

  
Chief Executive

  
Director

  
Chief Financial Officer



## 16 TRANSACTION WITH RELATED PARTIES

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:

	<i>(Un-Audited)</i> June 30, 2019	<i>(Un-Audited)</i> June 30, 2018
	<b>Rupees</b>	
<b>Transactions during the period</b>		
Remuneration of Chief Executive and Directors	<u><b>3,592,000</b></u>	<u>3,672,000</u>
Purchase of oil and lubricants from associated undertakings	<u><b>9,021,974</b></u>	<u>6,770,814</u>
Payment to associated undertakings against purchase of oil and lubricants	<u><b>9,624,632</b></u>	<u>5,000,000</u>
	<i>(Un-Audited)</i> June 30, 2019	<i>(Audited)</i> September 30, 2018
	<b>Rupees</b>	
<b>Balances at year end</b>		
Short term borrowings from chief executive	<u><b>32,164,394</b></u>	<u>32,164,394</u>
Payable to Adam Lubricants Limited	<u><b>59,878</b></u>	<u>897,086</u>

## 17 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.

## 18 AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue on July 26, 2019 by the Board of Directors of the Company.

## 19 GENERAL

Figures have been rounded off to the nearest rupees.

  
Chief Executive

  
Director

  
Chief Financial Officer