

ADAM SUGAR MILLS LIMITED

QUARTERLY REPORT (UN-AUDITED)

**FOR THE THIRD QUARTER ENDED
JUNE 30, 2024**

DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present you the unaudited financial statements of the Company for the nine months ended June 30, 2024.

Overview

The comparative summary of operating performance of your Company is as follows:

Operating Highlights	Nine Months Ended June 30, 2024 Season 2023-24	Nine Months Ended June 30, 2023 Season 2022-23
Crushing commenced	25/11/2023	27/11/2022
Crushing ends	04/03/2024	12/03/2023
Operating duration	104 Days	106 Days
Sugar produced	69,369 M.Ton	57,790 M.Ton
Recovery	10.13%	9.79%
Minimum support price - Punjab Zone	Rs. 400/40Kg	Rs.300/40Kg

Alhamdulillah, the crushing season 2023-24 went well. As reported in our half-yearly review, sugar production increased by 20%, further supplemented by better sucrose recovery.

The Government of Pakistan, after extensive deliberations, allowed the export of 150,000 M.Ton of sugar in phase I, subject to several restrictions. These include ensuring that the ex-sugar mills price for local sugar sales does not exceed PKR 140 per Kg, that export proceeds are received 100% in advance through banking channels, and that shipment is completed within 45 days of receiving the quota. The requirement for 100% advance payment has limited the market for exporters, especially due to the demand-supply gap in the international market by India's focus on manufacturing value added goods rather than exporting sugar this season. Despite these limitations, the exports will bring much-needed foreign exchange.

Future Outlook

The current budget for the fiscal year 2024-25 has imposed several non-friendly budgetary measures, few of these includes:

- Abolition of the minimum tax regime for exporters.
- Surcharge on income tax if taxable income exceeds PKR 10 million for every individual and AOP.
- Higher tax on salary income.
- Increase in the rate of default surcharge from 12% p.a. to 12% or 12%+3% KIBOR, whichever is higher.

In addition to the above & other measures, a Federal Excise Duty (FED) of PKR 15 per Kg has been introduced on the supply of white crystalline sugar by any person to any manufacturing, processing, or packaging entity. This levy is unjustified as the sugar industry is already subject to Sales Tax, and imposing both Sales Tax and FED goes against the principle of justification.

Business requires consistent policies and tax measures. Random and rapid changes not only affect business operations but also erode investor confidence. To compete with regional players, we need:

- Consistent business policies.
- Non-bureaucratic processes.
- Business-friendly tax regimes.
- Competitive markup rates for financing.
- Competitive power and utilities rates.

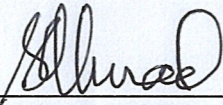
The State Bank of Pakistan has reduced the policy rate by 150 basis points (1.50%) effective June 11, 2024. However, the current KIBOR Rate is still around 20%, which is highly non-competitive. Businesses need a lower single-digit markup rate.

The current political scenario in the country presents an uncertain business and governance environment, which needs to be stabilized to attract investment and improve the quality of life for its citizens.

Acknowledgement

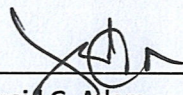
We are pleased to place on record the appreciation for the devoted and dedicated services of the officers, staff and workers of the Company. We would also like to express our thanks to our bankers for their continued support and also grateful to our shareholders for their confidence in the Management team.

On behalf of the Board of Directors



Jawaid Ahmad
Director

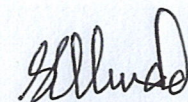
Karachi: July 29, 2024

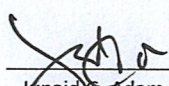


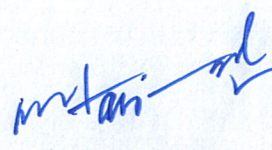
Junaid G. Adam
Director

Adam Sugar Mills Limited
Condensed Interim Statement of Profit or Loss (Un-Audited)
For the Nine Months Period Ended June 30, 2024

	Note	Nine Months period ended		Quarter ended	
		June 30,	June 30,	June 30,	June 30,
		2024	2023	2024	2023
		Rupees		Rupees	
			Restated		Restated
Sales revenue - net	12	7,258,300,965	2,950,886,596	4,167,162,994	370,069,652
Cost of sales		(6,188,997,064)	(2,545,867,985)	(3,974,333,287)	(382,036,941)
Gross profit		1,069,303,901	405,018,610	192,829,707	(11,967,290)
Administrative expenses		(154,399,610)	(142,399,085)	(45,624,885)	(43,323,427)
Selling and distribution costs		(7,059,083)	(28,810,599)	(528,786)	(4,947,184)
		(161,458,693)	(171,209,684)	(46,153,671)	(48,270,611)
Operating profit		907,845,208	233,808,926	146,676,036	(60,237,901)
Finance costs		(425,816,917)	(217,935,576)	(201,095,549)	(97,811,261)
Other income		14,688,844	23,168,694	3,097,274	11,815,485
Others		(37,300,740)	-	41,355,952	12,784,025
		(448,428,814)	(194,766,881)	(156,642,324)	(73,211,750)
(Loss) / Profit before taxation		459,416,394	39,042,045	(9,966,288)	(133,449,651)
Taxation - net		(147,424,891)	79,956,623	(24,312,751)	130,024,626
Profit / (Loss) after taxation		311,991,504	118,998,668	(34,279,038)	(3,425,025)
Earnings per share- basic and diluted		18.04	6.88	(1.98)	(0.20)


Jawaid Ahmad
Director

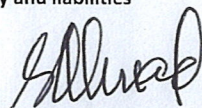

Unaid G. Adam
Director

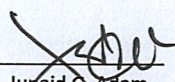

Faisal Habib
Chief Financial Officer

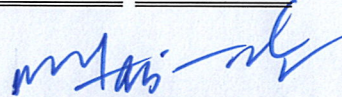
Adam Sugar Mills Limited

Condensed Interim Statement of Financial Position (Un-Audited)
As at June 30, 2024

		June 30, 2024	September 30, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	6,402,372,801	6,532,712,172
Long term advances		-	1,503,424
Long term deposits		4,223,981	4,306,481
		<u>6,406,596,782</u>	<u>6,538,522,077</u>
Current assets			
Stores and spares		193,924,858	199,341,127
Stock in trade	4	4,026,646,671	1,827,839,307
Short term investments		25,204,970	25,204,970
Trade debts - unsecured	5	1,065,812,349	98,357,818
Short term loans, advances and deposits	6	139,503,872	75,035,537
Short term prepayments		668,878	353,137
Others receivables		12,549,819	11,456,837
Cash and bank balances	7	64,356,503	35,231,198
		<u>5,528,667,919</u>	<u>2,272,819,931</u>
Total assets		<u>11,935,264,701</u>	<u>8,811,342,008</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
<i>Authorized Capital</i>		250,000,000	250,000,000
Issued, subscribed and paid-up capital		172,909,620	172,909,620
<i>Capital reserves:</i>			
Surplus on revaluation of property, plant and equipment- net		3,839,890,425	3,972,855,205
Share premium		172,909,620	172,909,620
Capital contribution from director		18,601,691	18,601,691
		<u>4,031,401,736</u>	<u>4,164,366,516</u>
<i>Revenue reserves:</i>			
General reserve		200,000,000	200,000,000
Unappropriated profits		1,297,757,966	946,325,477
		<u>1,497,757,966</u>	<u>1,146,325,477</u>
Total equity		<u>5,702,069,322</u>	<u>5,483,601,613</u>
Non-current liabilities			
Subordinated loan from Chief Executive		22,031,501	20,411,807
Long term financing	8	252,076,640	312,254,709
Deferred liabilities		968,643,610	958,788,704
Provident fund payable		5,129,279	4,267,808
		<u>1,247,881,030</u>	<u>1,295,723,028</u>
Current liabilities			
Short term borrowings	9	3,118,533,502	664,802,282
Trade and other payables	10	1,364,206,759	1,090,915,331
Accrued markup		248,842,321	78,451,764
Current maturity of long term financing	8	112,272,169	96,771,337
Current maturity of deferred income - Government grant		1,630,531	2,110,493
Unclaimed dividend		7,156,698	6,251,126
Taxation-net		132,672,370	92,715,034
		<u>4,985,314,349</u>	<u>2,032,017,367</u>
Contingencies and commitments	11	-	-
Total equity and liabilities		<u>11,935,264,701</u>	<u>8,811,342,008</u>


Jawaid Ahmad
Director

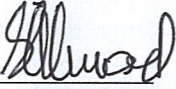

Junaid G. Adam
Director

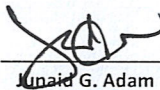

Faisal Habib
Chief Financial Officer

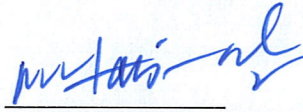
Adam Sugar Mills Limited

Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Nine Months Period Ended June 30, 2024

	Nine Months period ended		Quarter ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	Rupees		Rupees	
Profit after taxation	311,991,504	118,998,668	(34,279,038)	(3,425,025)
Other comprehensive income / (loss) for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Revaluation on Fixed Assets	-	1,646,634,380	-	-
Less: Deferred Tax on above	-	(316,281,360)	-	-
	-	1,330,353,020	-	-
Effect of change in NTR/FTR ratio on the deferred tax liability on revaluation surplus	(33,005,427)	-	-	-
Total comprehensive income for the period	278,986,077	1,449,351,688	(34,279,038)	(3,425,025)


Jawaid Ahmad
Director


Junaid G. Adam
Director

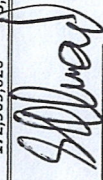

Faisal Habib
Chief Financial Officer

Adam Sugar Mills Limited

Condensed Interim Statement of Changes in Equity (Un-Audited)
For the Nine Months Period Ended June 30, 2024

	Capital reserves			Revenue reserves			Total
	Issued, subscribed and paid up capital	Surplus on revaluation of property, plant and equipment	Share premium	Capital contribution from Director	General reserve	Unappropriated profits / (losses)	
	Rupees						
Balance as at September 30, 2022 (restated)	172,909,620	2,661,730,994	172,909,620	18,601,691	200,000,000	788,775,896	4,014,927,821
<i>Total comprehensive income for the year ended September 30, 2023</i>	-	-	-	-	-	-	-
- Profit after tax	-	1,436,597,905	-	-	-	101,323,710	1,436,513,930
- Other comprehensive income	-	1,436,597,905	-	-	-	(83,975)	1,537,837,640
Transfer to unappropriated profits on account of incremental depreciation - net of deferred tax	-	(125,473,694)	-	-	-	101,239,735	-
<i>Transaction with owners</i>	-	-	-	-	-	125,473,694	-
Final Cash dividend @ 20% for the year ended September 30, 2022	-	-	-	-	-	(43,227,405)	(43,227,405)
Interim Cash Dividend for the quarter ended ended June 30, 2023	-	-	-	-	-	(25,936,443)	(25,936,443)
	-	-	-	-	-	(69,163,848)	(69,163,848)
Balance as at September 30, 2023	172,909,620	3,972,855,205	172,909,620	18,601,691	200,000,000	946,325,477	5,483,601,613
<i>Total comprehensive income for the period ended June 30, 2024</i>	-	-	-	-	-	-	-
- Profit after tax	-	(33,005,427)	-	-	-	311,991,504	311,991,504
- Other comprehensive income	-	(33,005,427)	-	-	-	-	(33,005,427)
Impact of revaluation of fixed assets	-	-	-	-	-	311,991,504	278,986,077
Transfer to unappropriated profits on account of incremental depreciation - net of deferred tax	-	(99,959,354)	-	-	-	99,959,354	-
Final Cash dividend @ 35% for the year ended September 30, 2023	-	-	-	-	-	(60,518,368)	(60,518,368)
Balance as at June 30, 2024	172,909,620	3,839,890,425	172,909,620	18,601,691	200,000,000	1,297,757,966	5,702,069,322

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Jawaid Ahmad
Director

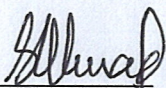


Faisal Habib
Chief Financial Officer

Adam Sugar Mills Limited

Condensed Interim Statement of Cash Flows (Un-Audited)
For the Nine Months Period Ended June 30, 2024

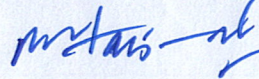
	June-2024	June-2023
CASH FLOWS FROM OPERATING ACTIVITIES	Rupees	Rupees
Profit before taxation	459,416,394	39,042,045
<i>Adjustments for non cash and other items:</i>		
- Depreciation on property, plant and equipment	209,720,064	198,450,643
- Deferred Government Grant amortization	(940,754)	(1,398,637)
- Gain on disposal of property, plant and equipment	(723,470)	(224,952)
- Provision for gratuity	3,100,000	1,635,098
- Unwinding of subordinated loan from director	1,619,694	1,464,719
- Finance cost	424,197,223	216,470,856
- Profit on term deposit receipts	(3,703,219)	(3,970,201)
- Profit on saving accounts	(183,615)	(1,243,357)
- Provision for workers profit participation fund	27,401,969	-
- Provision for workers welfare fund	10,412,748	-
- Provision for provident fund	2,094,085	670,023
	<u>672,994,725</u>	<u>411,854,192</u>
Cash generated from operating activities before working capital changes	1,132,411,119	450,896,237
Working capital changes:		
<i>Decrease / (increase) in current assets</i>		
- Stores and spares	5,416,269	(78,671,322)
- Stock in trade	(2,198,807,364)	(2,609,752,789)
- Trade debts	(967,454,531)	308,514,511
- Short term loans, advances and deposits	(64,468,335)	11,395,446
- Prepayments	(315,741)	(1,399,964)
- Other receivables - considered good	(1,092,982)	(314,713)
<i>Increase / (decrease) in current liabilities</i>		
- Sales tax payable	220,246,322	(377,608,492)
- Trade and other payables	53,045,106	1,275,514,841
	<u>(2,953,431,257)</u>	<u>(1,472,322,482)</u>
Cash used in operations	(1,821,020,138)	(1,021,426,245)
- Financial costs paid	(253,806,666)	(139,887,202)
- Provident fund	(1,232,614)	(6,202,480)
- Gratuity	(1,618,661)	(48,907,844)
- Taxes	(72,451,375)	-
	<u>(329,109,316)</u>	<u>(194,997,526)</u>
Net cash used in operating activities	(2,150,129,454)	(1,216,423,771)
CASH FLOWS FROM INVESTING ACTIVITIES		
- Fixed Capital Expenditure	(79,693,112)	(175,760,440)
- Proceed from sale of operating fixed assets	2,411,610	400,000
- Long term advances	1,503,424	84,371,626
- Long term deposits	82,500	3,970,201
- Profit received on saving accounts	183,615	1,243,357
- Profit received on investment in term deposit receipts	3,703,219	-
Net cash used in investing activities	(71,808,744)	(85,775,256)
CASH FLOWS FROM FINANCING ACTIVITIES		
- Short term borrowings - net	2,453,731,220	1,219,687,620
- Dividend paid	(59,652,593)	(42,620,660)
- Long term loan obtained/(repaid)	(44,677,237)	197,957,690
Net cash generated from financing activities	2,349,401,390	1,375,024,650
Net increase / (decrease) in cash and cash equivalents	127,463,192	72,825,623
Cash and cash equivalents at the beginning of the year	(37,901,720)	(109,899,237)
Cash and cash equivalents at the end of the period	89,561,472	(37,073,614)
Cash and cash equivalent comprise the following:		
- Cash and Bank Balances	64,356,503	37,620,513
- Short term investments	25,204,970	25,204,970
- Short term Borrowings - running finance	-	(99,899,097)
	<u>89,561,472</u>	<u>(37,073,614)</u>



Jawaid Ahmad
Director



Junaid G. Adam
Director



Faisal Habib
Chief Financial Officer

Adam Sugar Mills Limited

**Notes to the Condensed Interim Financial Statements (Un-audited)
For the Period Ended June 30, 2024**

1. STATUS AND NATURE OF BUSINESS

Adam Sugar Mills Limited ('the Company') was incorporated in Pakistan in 1965 in the name of Bahawalnagar Sugar Mills Limited as a public limited company. In 1985, the name of the Company was changed to Adam Sugar Mills Limited. The shares of the Company are quoted on Pakistan Stock Exchange ("the Exchange"). The Company is principally engaged in the manufacturing and sale of white sugar.

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

Head office: The Company's registered office is situated at first floor, Haji Adam Chambers, Altaf Hussain Road, New Challi, Karachi.

Mill: The Company's plant is located at Chak #4, Fordwah, Chishtian, District Bahawalnagar, Punjab.

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 former have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the audited financial statements, and should be read in conjunction with Company's annual audited financial statements as at September 30, 2023.

2.2 Basis of measurement of items in these condensed interim financial statements

These condensed interim financial statements have been prepared under the historical cost convention

- a) freehold land, factory building, non-factory building and plant and machinery which are carried at revalued amounts less subsequent accumulated depreciation charged thereon.
- b) Staff retirement benefits which are carried at the present value of the defined benefit obligation.

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 also the Company's functional and presentation currency.

2.4 Judgements and sources of estimation uncertainty

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual financial statements of the Company as at and for the year ended September 30, 2023.

2.5 Significant accounting policies

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements of the Company for the year ended September 30, 2023.

		(Un-audited) June 30, 2024	(Audited) September 30, 2023
	Note	Rupees	
3. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	6,402,372,801	6,532,712,172
Capital work in progress			
		<u>6,402,372,801</u>	<u>6,532,712,172</u>
3.1 Operating fixed assets			
<i>Cost / revalued amount</i>			
Opening balance as at the beginning of the period / year		6,853,438,024	6,470,139,136
Additions during the period / year	3.1.1	80,599,873	333,999,084
Revaluation surplus of Land, Building & Plant and machinery		-	50,947,009
Disposals during the period / year		(3,692,800)	(1,647,205)
		6,930,345,097	6,853,438,024
<i>Accumulated depreciation</i>			
Opening balance as at the beginning of the period / year		320,725,852	1,645,109,647
Charge for the period / year		210,626,823	272,798,044
Effect of revaluation		-	(1,595,687,370)
Disposal during the period / year		(3,380,379)	(1,494,469)
		527,972,296	320,725,852
Written down value at the end of period / year		<u>6,402,372,801</u>	<u>6,532,712,172</u>
3.1.1 Additions to operating fixed assets			
Factory building on freehold land		1,027,467	15,578,006
Plant and Machinery		34,347,185	284,847,833
Vehicles		5,103,904	1,939,627
Computer and other equipments		1,443,550	1,788,658
Furniture and fixtures		80,000	2,558,434
Water connections and electrical installations		29,699,681	25,409,477
Tools and other equipment		8,755,676	1,877,049
Air conditioners and refrigerators		142,410	
		<u>80,599,873</u>	<u>333,999,084</u>

4. STOCK IN TRADE

Sugar / Molasses in process	5,173,407	4,427,369
Finished goods - Sugar	3,821,452,814	1,741,362,883
Finished goods - Molasses	200,020,450	82,049,055
	<u>4,026,646,671</u>	<u>1,827,839,307</u>

4.1 Change in accounting policy

During the previous year, the Company changed its accounting policy for determining the cost of inventories pertaining to sugar and its by-products. As per the revised policy, the cost of such inventories is determined by using the First-In, First-Out (FIFO) formula as against the previous policy of using the Weighted average cost formula.

The management believes that the aforementioned new policy provides reliable and more relevant information to users of the financial statements since:

- (a) it more closely aligns the reported cost of sales for a period as well as the reported cost of inventories held at the end of that period with the actual physical flow of inventories. This is because, in practice, it has been observed that, every year, the stocks of sugar and its by-products that were produced in the previous crushing season are sold first, and consequently, the items remaining in inventory at the end of the year are those produced in the most recent crushing
- (b) the cost of production fluctuates significantly from one crushing season to the next. This makes the use of the FIFO method even more relevant as, otherwise, the inventories would be measured at average costs and, therefore, may be materially under / over valued.

2024 2023

— Rupees —

5. TRADE DEBTS - unsecured, considered good

Receivable against sales of sugar	<u>1,065,812,349</u>	<u>98,357,818</u>
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6. SHORT TERM LOANS AND ADVANCES

Loan to staff	4,841,621	2,761,121
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Advances:

- to growers	20,933,370	16,897,081
- to contractors	418,385	291,295
- to suppliers	60,694,613	45,404,255
- against expenses	116,079	23,549
- others	9,658,236	9,658,236
	<u>91,820,683</u>	<u>72,274,416</u>

Deposits

- Security deposit		
Commissioners Workmen's compensation, Bahawalnagar	42,841,568	-
	<u>139,503,872</u>	<u>75,035,537</u>

7. CASH AND BANK BALANCES

Cash in hand	1,231,315	-
Cash at bank:		
- Current accounts	63,047,218	34,699,552
- Deposit accounts	77,969	531,646
	<u>63,125,188</u>	<u>35,231,198</u>
	<u>64,356,503</u>	<u>35,231,198</u>

8. LONG TERM FINANCING - secured*From conventional banking companies*

Habib Bank Limited	337,147,500	378,124,000
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From Islamic banking companies

Dubai Islamic Bank Pakistan Limited	27,201,309	30,902,046
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Current maturity shown under current liabilities	<u>(112,272,169)</u>	<u>(96,771,337)</u>
	<u>252,076,640</u>	<u>312,254,709</u>

9. SHORT TERM BORROWINGS*Unsecured - interest free*

- from Chief Executive	9.1	32,164,394	32,164,394
- from Adam Lubricants Limited (a related party)	9.2	365,000,000	165,000,000

		<u>397,164,394</u>	<u>197,164,394</u>
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*Secured**- from conventional banking companies*

- JS Bank Limited	9.3	-	98,337,888
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- Habib Bank Limited	9.4	1,129,692,337	
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		<u>1,129,692,337</u>	<u>98,337,888</u>
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- from Islamic banking companies

- Askari Bank Limited	9.5	600,000,000	100,000,000
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- Al Baraka Bank (Pakistan) Limited	9.6	400,000,000	269,300,000
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- Meezan Bank Limited	9.7	271,089,954	
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- Dubai Islamic Bank Pakistan Limited	9.8	320,586,816	
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		<u>1,591,676,770</u>	<u>369,300,000</u>
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		<u>3,118,533,502</u>	<u>664,802,282</u>
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- 9.1 This represents loan granted by Mr. Ghulam Ahmed Adam, the Chief Executive of the Company, in previous years, to meet working capital requirements of the Company. The loan is interest free and is repayable on
- 9.2 This represents loan granted by M/S. Adam Lubricants Limited to meet working capital requirements of the Company. The loan is interest free and is repayable on demand.
- 9.3 This represents the amount availed under the running finance facility obtained from M/s. JS Bank Limited in order to meet the working capital requirements of the Company. As of June 30, 2024, the limit of the facility amounted to Rs. Nil million (2023: Rs. 100 million). The outstanding amount was fully paid and facility was not renewed for further period.
- 9.4 This represents the amount availed under the cash finance facility obtained from M/s. Habib Bank Limited in order to meet the working capital requirements of the Company. As of June 30, 2024, the limit of the facility amounted to Rs. 1,200 million (2023: Rs. 800 million). The facility carries markup at the rate of 1-Month KIBOR + 1.25%. (2023: 1-Month KIBOR + 1.25%) and is secured against pledge over stock of sugar bags with 25% margin, ranking charge over fixed assets amounting to Rs. 1,200 million and personal guarantee of director of the company.
- 9.5 This represents the amount availed under the Salam facility obtained from M/s. Askari Bank Limited in order to meet working capital requirements of the Company. As of June 30, 2024, the limit of the facility amounted to Rs. 600 million (2023: Rs. 400 million). The facility carries markup at the rate ranging from 1 month KIBOR + 1.50% to 9 month KIBOR + 1.50%. (2023: 9 month KIBOR + 1.50%) and is secured against pledge of sugar stock of Rs. 800 million with 25% margin, charge over current assets for Rs. 800 million and personal guarantee of directors of the company.
- 9.6 This represents the amount availed under the salam facility obtained from M/s. Al Baraka Bank (Pakistan) Limited in order to meet working capital requirements of the Company. As of June 30, 2024, the limit of the facility amounted to Rs. 400 million (2023: 300 million). The facility carries markup at the rate of 9 month KIBOR + 2.25% (2023: 9 month KIBOR + 2.25%) and is secured against pledge of sugar stock of Rs. 533.334 million with 25% margin, and personal guarantee of directors of the company.

- 9.7 This represents the amount availed under the Tijarah facility obtained from M/s. Meezan Bank Limited in order to meet working capital requirements of the Company. As of June 30, 2024, the limit of the facility amounted to Rs. 700 million. The facility carries markup at the rate of 6 month KIBOR + 1.50% and is
- 1) Ranking over present and Future current assets of the company with 25% margin (without Takaful Insurance).
 - 2) Pledge of white crystalline refined sugar in marketable bags in the factory under effective control of MBL approved muqaddam & pledge charge be registered with approved margins.
 - (i) 20% margin in case of stock placed in Godowns (within factory premises).
 - (ii) 25% margin in case of stock placed open area (duly covered with tarpal) of factory premises.
 - 3) Personal guarantee of directors of the company.
- 9.8 This represents the amount availed under the Istisna cum Wakala facility obtained from M/s. Dubai Islamic Bank Limited in order to meet working capital requirements of the Company. As of June 30, 2024, the limit of the facility amounted to Rs. 400 million (2023: 300 million). The facility carried markup at the rate of 6 month KIBOR + 2.25% and is secured against pledge of sugar stock of Rs. 500 million with 20% margin, sixth charge over stocks and fifth charge over receivables for Rs. 267 million with 25% margin, subordination of director's loan amounting to Rs. 16.2 million and personal guarantee of director of the company.

	(Un-audited) June 30, 2024	(Audited) September 30, 2023
Rupees		
10. TRADE AND OTHER PAYABLES		
Trade creditors	561,577,222	39,302,907
Accrued liabilities	31,658,040	48,898,684
Advance from customers	46,941,762	502,825,992
Sales tax payable	630,712,400	410,466,078
Withholding tax payable	17,072,929	17,635,205
Provision for Workers' Profit Participation Fund	32,318,773	36,554,154
Provision for Workers' Welfare Fund	43,671,246	34,233,620
Others	254,387	998,691
	<u>1,364,206,759</u>	<u>1,090,915,331</u>

11. CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments set out in note 13 to the Company's financial statements for the half year ended March 31, 2024.

	June 30, 2024 Un-Audited	June 30, 2023 Un-Audited
Rupees		
12. SALES REVENUE - net		
Sales - Sugar (Local)	7,685,047,993	2,197,116,491
Less: Sales tax	(1,172,295,457)	(330,343,051)
	6,512,752,537	1,866,773,440
Sales - Sugar (Export)	-	345,470,678
Local sales - Molasses	728,750,001	731,500,000
Local sales - Other By products	20,326,097	8,581,198
Less: Sales tax	(3,527,670)	(1,438,720)
	<u>16,798,427</u>	<u>7,142,478</u>
	<u>7,258,300,965</u>	<u>2,950,886,596</u>

13. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of Adam Pakistan Limited, Adam Lubricants Limited, key management personnel, directors and their close family members. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with staff service rules. Transactions entered into, and balances held with, related parties, other than those disclosed elsewhere in the financial statements, are as follows:

Transactions during the year		(Un-audited)	(Un-audited)
Name of the related party	Particulars	June 30, 2024	June 30, 2023
Rupees			
Adam Lubricants Limited	Lubricants purchased during the year	7,143,350	13,080,004
	Payments made against lubricant during the period	3,969,138	13,080,305
	Short term loan received during the period	835,000,000	360,000,000
	Short term loan repaid during the period	635,000,000	-
Key Management Personnel	Remuneration to Chief Executive and Directors	46,828,000	47,191,295
Balances at the year end		(Un-audited)	(Audited)
Name of the related party	Particulars	June 30, 2024	September 30, 2023
Rupees			
Adam Lubricants Limited	Payable against purchases	3,530,643	356,431
	Short term loan payable	365,000,000	165,000,000
Chief Executive (Mr. Ghulam Ahmed Adam)	Short term loan payable	32,164,394	32,164,394
	Subordinated loan payable	24,959,713	24,959,713
Chief Executive (Mr. Ghulam Ahmed Adam), Directors (Mr. Junaid Ghulam Adam and Mr. Omar Ghulam Adam)	Guarantees provided to banks against financing on behalf of the Company	9,045,534,267	4,251,360,000

14. OPERATING SEGMENTS

These condensed interim financial statements have been prepared on the basis of single reportable segment.

Revenue from sale of sugar represents 90% (June 30, 2023: 75%) of the total revenue whereas remaining represent revenue from sale of molasses, bagasse and mud.

All non-current assets of the Company at June 30, 2024 and September 30, 2023 were located in Pakistan.

15. 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 Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

Level 2: inputs other than quoted prices included in 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. However, during the period, there were no transfers between the levels of the fair value hierarchy.

Following is the fair value hierarchy of the assets carried at fair value:

	Level 1	Level 2	Level 3	Total
June 30, 2024				
Freehold Land	-	1,429,893,000	-	1,429,893,000
Factory Building	-	210,630,396	-	210,630,396
Non-Factory Building	-	75,176,441	-	75,176,441
Plant and Machinery	-	4,524,071,717	-	4,524,071,717
September 30, 2023				
Freehold Land	-	1,429,893,000	-	1,429,893,000
Factory Building	-	226,628,811	-	226,628,811
Non-Factory Building	-	78,105,394	-	78,105,394
Plant and Machinery	-	4,665,225,340	-	4,665,225,340

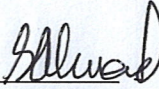
16. GENERAL

16.1. Date of authorization for issue

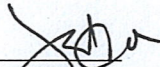
These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on July 29, 2024.

16.2. Level of rounding

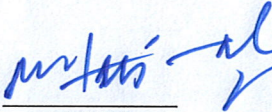
Unless otherwise indicated, all figures in these condensed interim financial statements have been rounded off to the nearest rupee.



Jawaid Ahmad
Director



Juhaid G. Adam
Director



Faisal Habib
Chief Financial Officer