

**CONDENSED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
OF
ADAM SUGAR MILLS LIMITED
FOR THE HALF YEARLY PERIOD ENDED
MARCH 31, 2025**

**Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
KARACHI, LAHORE & ISLAMABAD**



DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present the unaudited financial statements of the Company for the six months ended March 31, 2025.

Operational Highlights	March 2025	March 2024
Cane Crushed - M.Ton	651,341	684,186
Sugar Recovery Rate	8.82%	10.13%
Sugar Produced - M.Ton	57,442	69,369
Cane Crushing Commencement Date	21/11/2024	25/11/2023
Cane Crushing Ending Date	15/03/2025	07/03/2024
Cane Crushing Days	115	104

Overview

The crushing season concluded on 115th day in comparison to previous year's 104 days. As reported in our December 2024' quarter Review Report, both sugarcane yield per acre and recoveries are unexpectedly low this season. This is a countrywide phenomenon and has affected almost all sugarcane growing regions of Pakistan.

Government of Punjab has deregulated the sugar cane price in current season 2024-25 and we don't see any regulation of sugar cane prices in the coming periods. This is in line with IMF's deregulation guide lines that say "let market forces decide the price".

During the current season countrywide sugar production does not indicate any major surplus on the horizon as in previous financial year, however sugar produced is sufficient to meet the local demand and we don't foresee any shortages.

Credit Rating

VIS Credit Rating Company Limited has completed 3rd Annual Review in May 2025 after Credit Rating was first done in May 2022 and reaffirmed our rating at a favorable Long Term and Short Term Credit Rating of A- and A2 respectively.

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Adam Sugar Mills Ltd.



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P.O. BOX 4274,
ALTAF HUSSAIN ROAD,
NEW CHALLI,
KARACHI-PAKISTAN
NTN: 0709384-5

Future Outlook

We remain optimistic about achieving favorable results in the coming financial year which depends upon Government's favorable policies and timely decisions. We appreciate State Bank of Pakistan decision of cutting Policy Rate by 100bps to 11.00% on May 05, 2025. The industry needs further rate rationalization to be competitive in the region and to lower the cost of doing business.

Acknowledgement

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. We also like to express our thanks to our bankers for their continued support and are also grateful to our shareholders for their confidence in the Management.

On behalf of the Board of Directors

Ghulam Ahmed Adam
Chief Executive
Karachi: May 26, 2025



Omar G. Adam
Director

INDEPENDENT AUDITOR'S 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** ("the Company") as at **March 31, 2025** and the related condensed interim statement of profit or loss, 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 months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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 interim financial statements based on our review.

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 statements 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.

As per the terms of our engagement, we were only required to review the cumulative figures for the six-month period ended March 31, 2025. Accordingly, we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended March 31, 2025.

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 auditors' review report is **Mr. Muhammad Rafiq Dosani**.


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Karachi

Date: May 27, 2025

UDIN: RR202510210fdnwIDFoT

Adam Sugar Mills Limited

Condensed Interim Statement of Financial Position

As at March 31, 2025

		(Unaudited) March 31 2025	(Audited) September 30, 2024
	Note	Rupees	
ASSETS			
Non-current assets			
Property, plant and equipment	3	6,343,425,698	6,418,184,008
Long term advances		2,936	30,864,400
Long term deposits		4,191,581	4,191,581
		<u>6,347,620,215</u>	<u>6,453,239,989</u>
Current assets			
Stores and spares	4	124,160,337	154,330,437
Stock in trade	5	5,395,760,886	3,249,144,346
Short term investments		25,020,460	25,020,460
Trade debts - unsecured		212,738,562	506,643,021
Loans, advances, prepayments and deposits	6	112,544,829	89,558,315
Others receivables - considered good		14,302,358	12,549,818
Taxation-net		2,909,627	-
Cash and bank balances	7	79,337,633	53,025,872
		<u>5,966,774,692</u>	<u>4,090,272,269</u>
Total assets		<u>12,314,394,907</u>	<u>10,543,512,258</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized Capital		<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid-up capital (17,290,962 ordinary shares of Rs. 10/- each)		172,909,620	172,909,620
Capital reserves:			
Surplus on revaluation of property, plant and equipment- net		3,594,582,410	3,654,432,478
Share premium		172,909,620	172,909,620
Capital contribution from director		18,601,691	18,601,691
		<u>3,786,093,721</u>	<u>3,845,943,789</u>
Revenue reserves		<u>1,228,654,177</u>	<u>1,238,641,867</u>
		<u>5,187,657,518</u>	<u>5,257,495,276</u>
Non-current liabilities			
Long term financing	8	162,609,154	219,882,722
Deferred liabilities	9	1,092,002,070	1,142,225,610
Provident fund payable		4,979,964	4,945,994
		<u>1,259,591,188</u>	<u>1,367,054,326</u>
Current liabilities			
Short term borrowings	10	4,398,673,471	2,718,924,732
Subordinated loan from Chief Executive		23,765,591	22,571,399
Trade and other payables	11	1,259,225,748	835,408,349
Accrued markup		62,716,403	208,113,890
Current maturity of long term financing	8	113,317,442	115,055,580
Current maturity of deferred income - Government grant		1,833,889	1,618,314
Unclaimed dividend		7,613,657	7,156,698
Taxation-net		-	10,113,694
		<u>5,867,146,201</u>	<u>3,918,962,656</u>
Contingencies and commitments	12		
Total equity and liabilities		<u>12,314,394,907</u>	<u>10,543,512,258</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Chief Executive

Director

Chief Financial Officer

Adam Sugar Mills Limited

Condensed Interim Statement of Profit or Loss (Un-audited)

For the Half Year and Quarter Ended March 31, 2025

	Note	Six-month period ended		Quarter ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
		Rupees			
		(Restated)		(Restated)	
Sales revenue - net	13	5,489,984,543	3,091,137,971	1,609,527,688	1,289,421,392
Cost of sales	14	(5,229,830,973)	(2,214,663,777)	(1,520,935,363)	(910,473,886)
Gross profit		260,153,570	876,474,194	88,592,325	378,947,506
Administrative expenses		(111,792,699)	(101,811,905)	(58,156,018)	(51,724,770)
Selling and distribution costs		(38,134,101)	(6,530,297)	2,854,263	(4,730,309)
		(149,926,800)	(108,342,202)	(55,301,755)	(56,455,079)
Operating profit		110,226,770	768,131,992	33,290,570	322,492,427
Finance costs	15	(126,764,638)	(224,721,368)	(87,067,810)	(183,018,471)
Other income		13,156,184	11,591,570	10,599,706	8,112,447
Other operating expenses	16	(20,369,155)	(47,804,795)	(18,435,575)	(19,693,105)
		(133,977,609)	(260,934,593)	(94,903,679)	(194,599,129)
(Loss) / profit before levies and taxation		(23,750,839)	507,197,399	(61,613,109)	127,893,298
Levies	17	(43,255,333)	(44,647,170)	(40,642,836)	(44,647,170)
(Loss) / profit before taxation		(67,006,172)	462,550,229	(102,255,945)	83,246,128
Taxation - net	18	23,104,857	(120,074,522)	69,391,691	24,478,197
(Loss) / profit after taxation		(43,901,315)	342,475,707	(32,864,254)	107,724,325
(Loss) / earnings per share- basic and diluted		(2.54)	19.81	(1.90)	6.23

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Chief Executive

Director

Chief Financial Officer

For the Half Year and Quarter Ended March 31, 2025

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Chief Financial Officer

Condensed Interim Statement of Changes in Equity
For the Half Year Ended March 31, 2025

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

[Signature]
Chief Financial Officer

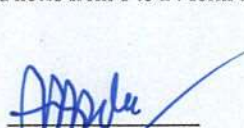
Adam Sugar Mills Limited


Condensed Interim Statement of Cash Flows (Un-audited)

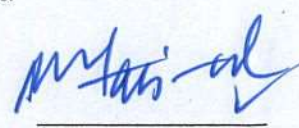
For the Half Year Ended March 31, 2025

	Note	March 31, 2025	March 31, 2024 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before levies and taxation		(23,750,839)	507,197,399
Adjustments:			
Depreciation on property, plant and equipment	3.1	139,807,807	139,809,755
Gain on disposal of property, plant and equipment		-	(114,109)
Provision for gratuity		1,828,475	1,472,093
Finance costs		125,570,446	223,641,572
Amortization of deferred grant		(819,198)	(1,124,626)
Unwinding of subordinated loan from director		1,194,192	1,079,796
Interest on saving accounts		(2,351,235)	(341,732)
Interest on term deposit receipts		(1,940,092)	(3,703,219)
Provision for Provident Fund		1,398,596	1,342,780
		<u>264,688,991</u>	<u>362,062,310</u>
Operating profit before working capital changes		240,938,152	869,259,709
Working capital changes:			
<i>Decrease / (increase) in current assets</i>			
Long term advances		30,861,464	1,463,685
Long term deposit		-	82,500
Stores and spares		30,170,100	49,805,671
Stock in trade		(2,146,616,540)	(6,027,966,396)
Trade debts		293,904,459	98,316,691
Loans, advances and prepayments		(22,986,514)	(14,190,760)
<i>Increase / (decrease) in current liabilities</i>			
Sales tax payable		85,399,588	(287,148,712)
Trade and other payables		334,825,086	2,184,944,255
		<u>(1,394,442,357)</u>	<u>(3,994,693,066)</u>
Cash used in operations		(1,153,504,205)	(3,125,433,357)
Financial costs paid		(269,854,556)	(135,574,784)
Payment to Provident fund		(1,364,626)	(850,556)
Payment of Worker Profit Participation Fund		-	(29,071,238)
Gratuity paid		-	(53,750)
Taxes paid		(81,927,266)	(157,012,240)
		<u>(353,146,448)</u>	<u>(322,562,568)</u>
Net cash used in operating activities		(1,506,650,653)	(3,447,995,925)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(65,049,497)	(37,672,819)
Sale Proceed from disposal of operating fixed assets		-	200,000
Purchase of term deposit receipts		-	150,000,000
Redemption of term deposit receipts		-	(150,000,000)
Interest received on term deposits		187,552	2,610,237
Interest received on saving accounts		2,351,235	341,732
Net cash used in investing activities		(62,510,710)	(34,520,850)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowing-net		1,798,645,579	3,765,296,993
Dividend paid		(25,479,484)	(59,612,796)
Long term loan repaid		(58,796,131)	(42,829,636)
Net cash generated from financing activities		1,714,369,964	3,662,854,561
Net increase / (decrease) in cash and cash equivalents		145,208,601	180,337,786
Cash and cash equivalents at the beginning of the period		(977,166,466)	(63,106,690)
Cash and cash equivalents at the end of the period	19	(831,957,865)	117,231,096

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

Adam Sugar Mills Limited

Notes to the Condensed Interim Financial Statements (Un-audited)

For the Half Year Ended March 31, 2025

1. STATUS AND NATURE OF BUSINESS

Adam Sugar Mills Limited ('the Company') was incorporated in Pakistan on October 19, 1965 in the name of Bahawalnagar Sugar Mills Limited as a public limited company under the provisions of the Companies Act, 1913 (repealed with the enactment of the Companies Ordinance, 1984, and subsequently, the Companies Act, 2017, promulgated in May 2017). 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.

Liaison office: The liaison office is situated at office No. 345-A/1, Gulberg-III, opposite Nisar Art Press, Lahore.

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 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 audited financial statements, and should be read in conjunction with Company's annual audited financial statements as at September 30, 2024.

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

Items included in these condensed interim financial statements have been measured at their historical cost except for freehold land, factory building, non-factory building and plant and machinery which are carried at revalued amounts less accumulated depreciation charged thereon.

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.

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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, 2024.

2.5 Material accounting policies

The material 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, 2024.

		(Un-audited) March 31, 2025	(Audited) September 30, 2024
	Note	Rupees	
3. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	6,294,451,456	6,371,399,758
Capital work in progress		3,780,786	3,780,786
Capital spares		45,193,456	43,003,464
		<u>6,343,425,698</u>	<u>6,418,184,008</u>
3.1 Operating fixed assets			
<i>Cost / revalued amount</i>			
Opening balance		6,970,245,742	6,853,438,024
Add: Additions during the period / year	3.1.1	62,859,505	121,079,368
Less: Disposals during the period / year		-	(4,271,650)
Closing balance		<u>7,033,105,247</u>	<u>6,970,245,742</u>
<i>Accumulated depreciation</i>			
Opening balance		598,845,984	320,725,852
Add: Charge for the period / year		139,807,807	282,001,899
Less: Disposal during the period / year		-	(3,881,767)
Closing balance		<u>738,653,791</u>	<u>598,845,984</u>
Written down value at the end of period / year		<u>6,294,451,456</u>	<u>6,371,399,758</u>
3.1.1 Additions to operating fixed assets			
Factory building on freehold land		12,099,361	5,030,467
Plant and Machinery		8,452,775	66,548,130
Vehicles		30,861,464	4,111,254
Office equipment		-	22,000
Computer and other equipment		3,689,500	1,668,050
Furniture and fixtures		2,717,160	235,500
Water connections and electrical installations		3,973,595	34,565,881
Tools and other equipment		1,065,650	8,755,676
Air conditioners and refrigerators		-	142,410
		<u>62,859,505</u>	<u>121,079,368</u>

	(Un-audited) March 31, 2025	(Audited) September 30, 2024
4. STORES AND SPARES	Rupees	
Stores inventory in hand	126,030,774	139,919,714
Stores inventory in transit	-	16,408,140
Spares inventory in hand	24,874,462	24,248,845
	150,905,236	180,576,699
Provision for slow-moving and obsolete stores and spares	(26,744,899)	(26,246,262)
	124,160,337	154,330,437

5. STOCK IN TRADE

Work in process	5,590,735	5,226,045
Finished goods		
- Sugar	5,000,981,675	3,234,728,318
- Molasses	377,840,916	9,189,983
- Other by-product	11,347,560	-
	5,390,170,151	3,243,918,301
	5,395,760,886	3,249,144,346

5.1 As of the reporting date, the value of stock pledged against bank borrowings amounted to Rs. 4,186.24 million (September 30, 2024: Rs. 2,514 million).

	(Un-audited) March 31, 2025	(Audited) September 30, 2024
6. LOANS, ADVANCES, PREPAYMENTS AND DEPOSITS - CONSIDERED GOOD	Rupees	
Loan to staff	3,008,431	3,617,921
Advances:		
- to suppliers	33,466,976	10,820,649
- to growers	6,681,538	10,564,830
- to contractors	475,000	679,480
- against expenses	94,652	81,549
- others	20,596,036	20,596,036
	61,314,202	42,742,544
Deposit:		
- Security Deposit-Commissioner Workmen's Compensation Bahawalnagar	42,841,568	42,841,568
Prepayments	5,380,628	356,282
	112,544,829	89,558,315

7. CASH AND BANK BALANCES

Cash in hand	2,519,016	-
Cash at bank:		
- Current accounts	73,905,950	47,248,737
- Deposit accounts	2,912,667	5,777,135
	76,818,617	53,025,872
	79,337,633	53,025,872

		(Un-audited) March 31, 2025	(Audited) September 30, 2024
8.	LONG TERM FINANCING	Note	Rupees
	<i>Secured</i>		
	- From conventional banking companies		
	Habib Bank Limited	259,218,000	311,171,000
	- From Islamic banking companies		
	Dubai Islamic Bank Pakistan Limited	16,708,596	23,767,302
		275,926,596	334,938,302
	Current maturity shown under current liabilities	(113,317,442)	(115,055,580)
		162,609,154	219,882,722
9.	DEFERRED LIABILITIES		
	Deferred taxation - net	9.1 1,075,177,822	1,126,410,639
	Staff retirement benefits - gratuity	16,804,173	14,975,698
	Deferred grant	8.1 20,075	839,273
		1,092,002,070	1,142,225,610

9.1 Deferred taxation-net

	For the period ended March 31, 2025		
	Balance at beginning of the period	Charge / (income) recognized in statement of profit or loss	Charge / (income) recognized in other comprehensive income
			Balance at end of the period
(Rupees)			
Deferred tax liability in respect of:			
- Surplus on revaluation of property, plant and equipment	916,316,066	(24,445,803)	-
- Accelerated tax depreciation	311,676,225	(39,123,366)	-
- SBP's Islamic financing facility for renewable energy	82,342	-	-
	1,228,074,633	(63,569,169)	-
Deferred tax asset in respect of:			
- Excess of minimum tax over normal tax liability	(54,862,496)	12,836,165	-
- Excess of alternative corporate tax over corporate tax	(16,169,033)	-	-
- Deferred income - Government grant	(712,700)	175,050	-
- Provision for gratuity	(4,342,952)	(530,258)	-
- Provision for slow moving items	(7,611,416)	(144,605)	-
- Provision for doubtful debtors	(459,304)	-	-
- Provision for WWF and WPPF	(17,506,093)	-	-
	(101,663,994)	12,336,352	-
Net deferred tax liability	1,126,410,639	(51,232,817)	-

	For the year ended September 30, 2024		
	Balance at beginning of the year (restated)	Charge / (income) recognized in statement of profit or loss	Charge / (income) recognized in other comprehensive income
			Balance at end of the year
(Rupees)			
Deferred tax liability in respect of:			
- Surplus on revaluation of property, plant and equipment	967,901,088	(51,585,022)	-
- Accelerated tax depreciation	276,678,319	34,997,906	-
- SBP's Islamic financing facility for renewable energy	742,585	(660,243)	-
	1,245,321,992	(17,247,359)	-
Deferred tax asset in respect of:			
- Excess of minimum tax over normal tax liability	(37,518,861)	(17,343,635)	-
- Unabsorbed tax depreciation	-	-	-
- Excess of alternative corporate tax over corporate tax	(16,169,033)	-	-
- Deferred income - Government grant	1,724,957	(2,437,657)	-
- Provision for gratuity	(7,715,693)	3,329,264	43,477
- Provision for slow moving items	(680,336)	(6,931,080)	-
- Provision for doubtful debtors	(459,304)	-	-
- Provision for WWF and WPPF	(20,528,454)	3,022,361	-
	(81,346,724)	(20,360,747)	43,477
Net deferred tax liability	1,163,975,268	(37,608,106)	43,477

		(Un-audited) March 31, 2025	(Audited) September 30, 2024
10.	SHORT TERM BORROWINGS	Note	Rupees
	<i>Unsecured - interest free</i>		
	- from Chief Executive	10.1	32,164,394
	- from Adam Lubricants Limited (a related party)	10.2	1,052,000,000
			1,084,164,394
	<i>Secured</i>		
	- from conventional banking companies		
	- Habib Bank Limited	10.3	911,295,498
	- from Islamic banking companies		
	- Askari Bank Limited	10.4	487,226,089
	- Dubai Islamic Bank Limited	10.5	399,739,057
	- Al Baraka Bank (Pakistan) Limited	10.6	399,998,948
	- Meezan Bank Limited	10.7	616,249,485
	- Bank Al Falah Limited	10.8	500,000,000
			2,403,213,579
			4,398,673,471
			826,500,000
			2,718,924,732

10.1 Loan obtained from Chief Executive

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 demand.

10.2 Loan obtained from M/s. Adam Lubricants Limited

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.

10.3 Cash finance from Habib Bank Limited

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 March 31, 2025, the limit of the facility amounted to Rs. 1,200 million (2024: Rs.1200 million). The facility carries markup at the rate of 1-Month KIBOR + 1.25%. (2024: 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 amounting to Rs. 1,200 million. Further, the said facility is due to expire in February 2026.

10.4 Salam facility from Askari Bank Limited

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 March 31, 2025, the limit of the facility amounted to Rs. 600 million (2024: Rs. 600 million). The facility carries markup at the rate Matching KIBOR + 1.50%. (2024: Matching KIBOR + 1.50%) and is secured against pledge of white refined sugar in bags for 2024-2025 season with 25% margin, ranking charge over current assets of the company with 25% margin and personal guarantee of directors of the company namely Mr. Ghulam Ahmed Adam and Mr. Omar Adam.

10.5 Istisna cum Wakala from Dubai Islamic Bank Limited

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. The limit of the facility amounted to Rs. 400 million. The facility carried markup at the rate of 6 month KIBOR + 1.5% and is secured against pledge of sugar stock of Rs. 500 million with 20% margin, subordination of director's loan amounting to Rs. 18.602 million and personal guarantee of Director Mr. Ghulam Ahmed Adam.. Further, the said facility is due to expire in June 2025.

10.6 Salam facility from Al Baraka Bank (Pakistan) Limited

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 March 31, 2025, the limit of the facility amounted to Rs. 400 million (2024: 400 million). The facility carries markup at the rate of 9 month KIBOR + 1.75% (2024: 9 month KIBOR + 2.25%) and is secured against pledge of sugar stock of Rs. 533.334 million with 25% margin, ranking charge over all present and fixed assets of the company for Rs. 150 million, and personal guarantee of directors of the company namely Mr. Ghulam Ahmed Adam, Mr. Junaid Ahmed Adam & Mr. Omar Adam. Further, the said facility is due to expire in November 2025.

10.7 Tijarah facility from Meezan Bank Limited

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 March 31, 2025, 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 secured against:

- 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) PG of CEO and Executive Director of the Company. (Mr. Ghulam Ahmed Adam, CEO/Executive Director) and Mr. Omar G. Adam (Executive Director).

Further, the said facility is due to expire in September 2025.

10.8 Bank Al Falah Limited

This represents the amount availed under the Local istisna obtained from M/s. Alfalah Bank Limited in order to meet working capital requirements of the Company. As of March 31, 2025, the limit of the facility amounted to Rs. 500 million. The facility carries markup at the rate of Matching KIBOR + 2.0% and is secured against:

- 1) Ranking charge over present and future current assets of the company with 25% margin of Rs.666.67 Million.
- 2) Pledge of white refined sugar in bags for 2023-2024 season with 25% margin calculated over Akbari Mandi Rate (Excluding of applicable sales tax) as advertised in the daily Business Recorder or as per SBP Instructions, Sugar Bags to be Kept in Shared Pucca Godowns within the Factory.
- 3) Personal guarantee of Mr Ghulam Ahmed Adam (CEO) and Mr Omar Adam (Executive Director).
- 4) Pledge charge with 25% margin to be registered with SECP.

11. TRADE AND OTHER PAYABLES	Note	(Un-audited) March 31, 2025	(Audited) September 30, 2024
		Rupees	
Trade creditors	11.1	648,038,974	538,341,357
Accrued liabilities		36,925,324	25,381,416
Advance from customers	11.2	330,161,781	117,718,013
Sales tax payable		136,605,838	51,206,250
Provision for Workers' Profit Participation Fund	11.3	20,906,745	19,793,368
Provision for Workers' Welfare Fund	11.4	43,051,819	40,572,471
Withholding tax payable		35,039,709	36,436,675
Others		8,495,558	5,958,799
		<u>1,259,225,748</u>	<u>835,408,349</u>

	(Un-audited) March 31, 2025	(Audited) September 30, 2024
11.1 Trade creditors	Rupees	
Cane growers	579,383,544	448,347,946
Others	68,655,430	89,993,411
	<u>648,038,974</u>	<u>538,341,357</u>

11.2 Advance from customers

During the period, the performance obligations underlying the opening contract liability of Rs. 117.718 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the period.

Additionally, the performance obligations underlying the closing contract liability of Rs. 330.161 million is expected to be satisfied within one year. Subsequent to the period, this liability was satisfied and recorded as revenue.

	(Un-audited) March 31, 2025	(Audited) September 30, 2024
11.3 Provision for Workers' Profit Participation Fund	Rupees	
Opening balance	19,793,368	36,554,154
Add:		
Charge for the period / year	-	10,346,187
Interest accrued	1,113,377	1,964,265
	<u>1,113,377</u>	<u>12,310,452</u>
Payment made during the period / year	-	(29,071,238)
	<u>20,906,745</u>	<u>19,793,368</u>

11.4 Provision for Workers' Welfare Fund

Opening balance	40,572,471	34,233,620
Charge for the period / year	2,479,348	6,338,851
	<u>43,051,819</u>	<u>40,572,471</u>

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 Previously reported contingent liabilities that were resolved subsequent to the period

In its financial statements for the year ended September 30, 2024, the Company had disclosed the following matter as contingent liabilities. However, during the year, certain key developments occurred due to which the previously reported uncertainties surrounding such matters were resolved and, hence, the same are no longer regarded as contingent liabilities as at March 31, 2025.

The Commissioner Inland Revenue had issued notice bearing Appeal Nos. 209 and 210 dated 31 October 2022 under section 8(1) of the Sales Tax Act, 1990, alleging that the Company had claimed inadmissible input tax on construction materials for the period from July 2014 to November 2017, amounting to Rs. 12.333 million.

The Company, being aggrieved, had filed applications before the High Court of Sindh challenging the orders passed by the Appellate Tribunal Inland Revenue of Pakistan. However, the High Court dismissed the application in favor of the respondent (*the Appellate Tribunal Inland Revenue of Pakistan*) vide its order dated 2 October 2024. Being aggrieved with the said order, the Company filed an appeal before the Supreme Court of Pakistan.

Subsequent to the reporting period, the Supreme Court of Pakistan, vide its order dated 8 May 2025, upheld the decisions of the lower forums. As a result, the matter stands concluded at the level of the Supreme Court, and the Company is now required to pay sales tax amounting to Rs. 12.333 million. Accordingly, a provision has been recognized (*refer note 13*) in these financial statements.

12.1.2 The status of all other contingent liabilities as reported in note 22 to the Company's annual financial statements for the year ended September 30, 2024 remains the same.

		(Un-audited) March 31, 2025	(Audited) September 30, 2024
12.2	Commitments	Rupees	
12.2.1	Guarantees issued by banking companies on behalf of the Company are as follows:		
	Punjab Employees Social Security Institution	15,311,000	15,311,000
		Six month period ended (Un-audited)	
		March 31, 2025	March 31, 2024
13.	SALES REVENUE - net	Rupees	
	Local sales		
	Sugar	4,838,887,112	3,211,798,537
	Molasses	601,604,017	327,500,001
	Other by products	16,877,051	10,472,577
		5,457,368,180	3,549,771,115
	Less: Sales tax / advance income tax	(854,934,215)	(458,633,144)
		4,602,433,965	3,091,137,971
	Export sales		
	Sugar	887,550,578	-
		5,489,984,543	3,091,137,971
14.	COST OF SALES		
	Opening stock of finished goods		
	- Sugar	3,234,728,318	1,741,362,883
	- Molasses	9,189,983	82,049,055
		3,243,918,301	1,823,411,938
	Cost of finished goods manufactured	14.1 7,376,082,823	8,241,922,034
	Closing stock of finished goods		
	- Sugar	(5,000,981,675)	(7,105,725,084)
	- Molasses	(377,840,916)	(736,839,368)
	- Other by-product	(11,347,560)	(8,105,743)
		(5,390,170,151)	(7,850,670,195)
		5,229,830,973	2,214,663,777
14.1	Cost of finished goods manufactured		
	Raw materials consumed	6,856,321,834	7,700,812,824
	Conversion costs incurred	14.1.1 520,125,679	541,817,349
		7,376,447,513	8,242,630,173
	-Opening stock of work in process	5,226,045	4,427,369
	-Closing stock of work in process	(5,590,735)	(5,135,508)
		(364,690)	(708,139)
		7,376,082,823	8,241,922,034

		Six month period ended (Un-audited)	
		March 31, 2025	March 31, 2024
14.1.1	Conversion costs incurred	Note ----- Rupees -----	
	Depreciation	132,373,565	135,275,740
	Salaries, wages and allowances	200,055,656	174,194,583
	Repairs and maintenance	45,167,779	67,104,667
	Stores and spares consumed	121,728,239	144,793,015
	Fuel and power	9,338,215	9,955,921
	Insurance	5,758,471	5,528,614
	Flying ash expenses	3,024,730	2,175,000
	Market committee fees	2,679,024	2,789,809
		<u>520,125,679</u>	<u>541,817,349</u>
15.	FINANCE COSTS		
	Markup charge on long term borrowings:		
	- Conventional financing	21,556,509	43,092,100
	- Islamic financing facility for renewable energy	627,088	1,819,055
	- Subordinated loan from Chief Executive	1,194,192	1,079,796
		<u>23,377,789</u>	<u>45,990,951</u>
	Markup charge on short term borrowings:		
	- on conventional financing	35,087,535	68,623,669
	- on Islamic financing	67,185,937	110,106,748
		<u>102,273,472</u>	<u>178,730,417</u>
	Finance cost on Workers' profit participation fund	1,113,377	-
		<u>126,764,638</u>	<u>224,721,368</u>
16.	OTHER OPERATING EXPENSES		
	Provision for slow moving stock	498,637	40,841,975
	Provision for sales tax payable on demand	12,333,000	-
	Charity and donation	7,537,518	6,962,820
		<u>20,369,155</u>	<u>47,804,795</u>
		(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
		----- Rupees -----	(Restated)
17.	LEVIES		
	Income tax under final tax regime (including super tax)	11,094,382	6,832,453
	Excess of minimum tax over normal tax	29,681,603	-
		<u>40,775,985</u>	<u>6,832,453</u>
	Provision for Worker's Profit Participation Fund	11.3 -	27,401,969
	Provision for Worker's Welfare Fund	11.4 2,479,348	10,412,748
		<u>2,479,348</u>	<u>37,814,717</u>
		<u>43,255,333</u>	<u>44,647,170</u>
18.	TAXATION-net		
	Current	28,127,960	138,340,262
	Deferred	(51,232,817)	(18,265,740)
		<u>(23,104,857)</u>	<u>120,074,522</u>

		(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
19.	CASH AND CASH EQUIVALENTS	Rupees	
	Cash and bank balances	79,337,633	216,019,396
	Short term borrowings - running finance	(911,295,498)	(98,788,300)
		<u>(831,957,865)</u>	<u>117,231,096</u>

20. **RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties of the Company comprise of Adam Pakistan Limited, Adam Lubricants Limited, key management personnel, directors and their close family members. Transactions entered into, and balances held with, related parties, are as follows:

Transactions during the period

Name of the related party	Basis of relationship	Particulars	(Un-audited) March 31, 2025	(Un-audited) March 31, 2024
			Rupees	
Adam Lubricants Limited	Company under common control	Purchases made during the period	7,647,770	11,873,910
		Payment made during the period	8,167,642	5,699,698
		Loan received during the period	742,532,000	835,000,000
		Loan Repaid during the period	520,600,000	-
Key management personnel		Remuneration to Chief Executive and Directors	32,190,458	31,473,805

Balances at the end of the period / year

Name of the related party	Basis of relationship with the party	Particulars	(Un-audited) March 31, 2025	(Audited) September 30, 2024
			Rupees	
Adam Lubricants Limited	Company under common control	Balance payable (trade creditors) as at the period / year end	1,010,771	1,530,643
		Short term Loan payable as at the period / year end	1,052,000,000	830,068,000
Chief Executive (Mr. Ghulam Ahmed Adam)	Key management personnel	Short term Loan payable as at the period / year end	32,164,394	32,164,394
		Subordinated loan payable as at the period / year end	24,959,713	24,959,713
Chief Executive (Mr. Ghulam Ahmed Adam), Director (Mr. Junaid Ghulam Adam and Mr. Omar Ghulam Adam)	Key management personnel	Guarantee provided to banks against financing on behalf of the company	3,920,000,000	4,251,360,000

21. **CHANGE IN ACCOUNTING POLICY - Tax**

In May 2024, the Institute of Chartered Accountants of Pakistan issued Circular 07/2024 titled as 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes'. The circular clarifies that any taxes whose calculation is *not* based on 'taxable profit' (as defined in the International Accounting Standard (IAS) 12 'Income Taxes') do not meet the definition of 'current tax' as per that standard. Instead, such taxes should be treated as 'levies' falling within the scope of IFRIC 21 'Levies' and the IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

In light of the guidance provided in, and as required by, the said circular, the Company has changed its accounting policy for current tax whereby *only* the portion of the income tax charge that is based on the 'taxable income' for a reporting period (as determined in accordance with the provisions of the Income Tax Ordinance, 2001 and the rules made thereunder) is now classified as a 'current tax'. Any excess charge over the said amount (for example, excess of Minimum Tax under section 113 of the Income Tax Ordinance, 2001 over the normal tax charge) is now classified as a 'levy' in the statement of profit or loss. The Company has also changed its accounting policy of calculating deferred tax on proportionate basis as per the requirements of TR-27 IAS 12, *Income Taxes (Revised)* that has been withdrawn by the Council of the Institute in the mentioned Circular. As the said change in accounting policy also has effect on the accounting for deferred income taxes i.e., the deferred tax liabilities / assets and Surplus on revaluation of property, plant and equipment- net have also been restated.

In these financial statements, the said change in accounting policy has been accounted for *retrospectively*. If the said change in accounting policy had, however, not been made, the following items in the statement of profit or loss would have been reported as under:

	March 31 2025	March 31 2024
	Rupees	
(Loss) / profit before levies and taxation	(26,230,187)	469,382,682
Levies	-	-
Loss before taxation	(26,230,187)	469,382,682
Taxation:		
- Current	(68,903,945)	(145,172,715)
- Prior	-	-
- Deferred	51,232,817	18,265,740
	(17,671,128)	(126,906,975)
Loss after taxation	(43,901,315)	342,475,707
Loss per share - basic and diluted	(2.54)	19.81

As stated above the aforementioned change in accounting policy has been accounted for retrospectively in accordance with the requirements of the International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and all the corresponding figures affected thereby have been restated.

The retrospective effects on the corresponding figures presented in these financial statements are as follows:

Effects on the statement of profit or loss

	For the year ended March 31, 2024		
	As previously reported	As restated	Change
	----- (Rupees) -----		
Profit before taxation	469,382,682	507,197,399	37,814,717
Levies:	-	(44,647,170)	(44,647,170)
Profit before taxation	469,382,682	462,550,229	(6,832,453)
Taxation:			
- Current	(145,172,715)	(138,340,262)	6,832,453
- Prior	-	-	-
- Deferred	22,060,575	18,265,740	(3,794,835)
	(123,112,140)	(120,074,522)	3,037,618
Profit after taxation	346,270,542	342,475,707	(3,794,835)
Earning per share - basic and diluted	20.03	19.81	(0.22)

22. OPERATING SEGMENTS

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

- (a) Revenue from sale of sugar represents 90.86% (September 30, 2024: 88.35%) of the total revenue whereas remaining represent revenue from sale of molasses, bagasse and mud.
- (b) 82.75% (September 30, 2024: 97.57%) gross sales of the Company were made to customers based in Pakistan.
- (c) All non-current assets of the Company at March 31, 2025 and September 30, 2024 were located in Pakistan.

23. 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
March 31, 2025	Rupees			
- Freehold land	-	1,429,893,000	-	1,429,893,000
- Factory building	-	209,873,635	-	209,873,635
- Non - factory building	-	72,340,039	-	72,340,039
- Plant and machinery	-	4,392,613,586	-	4,392,613,586
September 30, 2024				
- Freehold land	-	1,429,893,000	-	1,429,893,000
- Factory building	-	208,852,115	-	208,852,115
- Non - factory building	-	74,200,124	-	74,200,124
- Plant and machinery	-	4,497,108,441	-	4,497,108,441

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23.1 Valuation techniques and inputs used to determine fair value

The Company obtains independent valuations for its certain classes of property, plant and equipment. The following table summarizes the inputs used in the fair value measurement:

Description	31-Mar-24 Rupees	30-Sep-23 Rupees	Inputs used in fair value measurement
	--- Written down value (WDV) ---		
Freehold land	1,429,893,000	1,429,893,000	The market value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per square foot.
Factory buildings on freehold land	209,873,635	208,852,115	To determine the fair value of the buildings, following significant inputs were used: 1) Covered area of each building physically inspected by the valuer; 2) Complete specification of civil work on each building; 3) Physical condition of each building; 4) Cost of construction of new similar building;
Non-factory buildings on freehold land	72,340,039	74,200,124	
	282,213,674	283,052,239	
Plant and machinery	4,392,613,586	4,497,108,441	To determine the fair value of the plant and machinery, following significant inputs are used: 1) Cost of acquisition of similar plant and machinery with similar level of technology keeping in view the make, model, capacity, country of origin and other specification. 2) Physical condition of the plant and machinery - To arrive at commensurable value, the new installed values have been depreciated accordingly, keeping in view the present condition of the plant and machinery;

23.2 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. Fair value of the financial assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The Company's financial assets consist of long term deposits, short term investments, trade debts, short term loan to staff, other receivables and cash and bank balances. Its financial liabilities consist of long term finances (including accrued markup), subordinated loan from the Chief Executive, short term borrowings, accrued markup on short term borrowings and trade and other payables. The fair value of above financial assets and liabilities (except non-current portion of long term loans) approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of non-current portion of long term loans is not significantly different from its carrying value as these financial instruments bear interest at floating rates which gets re-priced at regular intervals.

24. GENERAL

24.1 Reclassification of corresponding figures

Corresponding figures have been rearranged and reclassified in these financial statements, wherever necessary, for the purpose of comparison. Major reclassifications are detailed hereunder:

Reclassification from	Reclassification to	Note	Rupees
Other operating expenses (Workers' profit participation fund)	Levies (Workers' profit participation fund)	16	<u>27,401,969</u>
Other operating expenses (Workers' welfare fund)	Levies (Workers' welfare fund)	16	<u>10,412,748</u>
Administrative expenses (Charity and donation)	Other operating expenses (Charity and donation)		<u>6,962,820</u>

24.2 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 May 26, 2023

24.3 Level of rounding

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

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Chief Executive


Director


Chief Financial Officer