

ADAM SUGAR MILLS LIMITED
QUARTERLY REPORT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2025

Telephones: 32417812-16
: 32401139-43
FAXES : 32427560-32417907

Adam Sugar Mills Ltd.



HEAD OFFICE :
HAJI ADAM CHAMBERS,
P.O. BOX 4274,
ALTAF HUSSAIN ROAD,
NEW CHALLI,
KARACHI-PAKISTAN
NTN: 0709384-5

On behalf of the Board of Directors, We are pleased to present the **Un-Audited Financial Statements** of the Company for the **first quarter ended December 31, 2025**.

Operating Results

	December 31, 2025	December 31, 2024
Cane crushed – Metric Tons	222,261	155,660
Average Recovery	9.14%	8.60%
Sugar Produced – Metric Tons	19,420	13,387
Commenced Crushing on	15-11-2025	21-11-2024
No. of season days	47	41

The financial year **2024–25** was particularly challenging due to crop diseases that resulted in lower sucrose recovery, along with intermittent Government interventions such as lifting embargoes and portal closures. Despite these challenges, the Company successfully concluded the year and proposed a **40% dividend**, reflecting resilience and sound management.

The operating results for the current quarter are encouraging, with a **notable improvement in sucrose recovery** compared to the corresponding period of the previous year.

Future Outlook

We remain optimistic about achieving favorable results in the current financial year. The nationwide sugar production outlook is positive, as the current sugarcane crop is not only higher in quantity but also superior in quality compared to the previous season. This improvement is attributable to increased acreage and higher yield per acre.

However, the performance of the sugar industry remains highly dependent on consistent Government support, particularly through non-intervention in operational matters. While the Government has deregulated sugarcane procurement prices, the selling price of sugar has effectively remained regulated through the imposition of rates linked to PBS benchmarks and controlled monthly price increases during certain periods of the last financial year. The industry continues to await full implementation of the Government's commitment toward complete deregulation.

Given the expected bumper sugarcane crop and higher sugar production, we are hopeful that the Government will allow timely sugar exports. Delayed export decisions often result in missed opportunities in international markets, leading to lower realization rates.

Acknowledgment

The Board sincerely appreciates the continued dedication and cooperation of the Company's officers, staff, and workers, and looks forward to their sustained commitment toward the Company's success.

On behalf of the Board of Directors


Ghulam Ahmed Adam
Chief Executive

Karachi: January 30, 2026


Omar G. Adam
Director

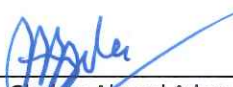
Adam Sugar Mills Limited

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

For the period ended December 31, 2025

	Note	December 31, 2025	December 31, 2024
		Rupees	
Sales revenue - net	13	1,691,609,461	3,880,456,855
Cost of sales		(1,526,844,235)	(3,708,895,610)
Gross profit		164,765,226	171,561,245
Administrative expenses		(63,376,852)	(53,636,681)
Selling and distribution costs		(2,137,121)	(40,988,364)
		(65,513,973)	(94,625,045)
Operating profit		99,251,253	76,936,201
Finance costs		(26,971,285)	(39,696,828)
Other income		5,014,399	2,556,478
Other operating expenses		(1,325,520)	(1,933,580)
		(23,282,407)	(39,073,930)
Profit before levies and taxation		75,968,846	37,862,271
Levies		(5,241,850)	(2,612,497)
Profit before taxation		70,726,996	35,249,774
Taxation - current		(21,456,364)	(46,286,834)
Profit after taxation		49,270,632	(11,037,060)
Earnings per share- basic and diluted		2.85	(0.64)

The annexed notes from 1 to 16 form an integral part of these financial statements.


Ghulam Ahmad Adam
Chief Executive


Omar G. Adam
Director


Faisal Habib
Chief Financial Office

Adam Sugar Mills Limited

Condensed Interim Statement of Financial Position (Un-Audited)


As at December 31, 2025

As at December 31, 2025		December 31, 2025	September 30, 2025
ASSETS	Note	Rupees	
Non-current assets			
Property, plant and equipment	4	6,640,855,955	6,651,978,276
Intangible assets		2,008,500	2,008,500
Long term advances		--	3,691,600
Long term deposits		4,191,581	4,191,581
		<u>6,647,056,036</u>	<u>6,661,869,957</u>
Current assets			
Stores and spares		145,922,713	124,247,835
Stock in trade	5	1,996,689,596	801,926,516
Short term investments		525,020,460	25,020,460
Trade debts - unsecured	6	235,983,356	743,312,197
Short term loans, advances, deposits and prepayments	7	238,782,727	137,680,227
Others receivables		13,554,964	10,822,087
Taxation-net		42,096,037	--
Cash and bank balances	8	889,393,802	26,807,240
		<u>4,087,443,655</u>	<u>1,869,816,562</u>
Total assets		<u><u>10,734,499,691</u></u>	<u><u>8,531,686,519</u></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		<u>172,909,620</u>	<u>172,909,620</u>
Capital reserves:			
Surplus on revaluation of property, plant and equipment- net		3,389,766,629	3,418,092,417
Share premium		172,909,620	172,909,620
Capital contribution from director		18,601,691	18,601,691
		<u>3,581,277,940</u>	<u>3,609,603,728</u>
Revenue reserves:			
General reserve		200,000,000	200,000,000
Unappropriated profits		1,123,436,019	1,115,003,447
		<u>1,323,436,019</u>	<u>1,315,003,447</u>
Total equity		<u>5,077,623,579</u>	<u>5,097,516,795</u>
Non-current liabilities			
Long term financing	9	407,561,349	454,813,156
Deferred liabilities		1,251,284,803	1,250,659,803
Provident fund payable		5,444,252	5,050,558
		<u>1,664,290,404</u>	<u>1,710,523,517</u>
Current liabilities			
Short term borrowings	10	2,811,920,580	870,099,304
Subordinated loan from Chief Executive	11	24,959,714	24,959,714
Trade and other payables		862,379,155	615,697,275
Accrued markup		21,566,984	26,843,124
Current maturity of long term financing		193,994,716	150,780,809
Current maturity of deferred income - Government grant		987,054	1,010,766
Dividend		76,777,505	7,613,657
Taxation-net		--	26,641,558
		<u>3,992,585,708</u>	<u>1,723,646,207</u>
Contingencies and commitments	12	-	-
Total equity and liabilities		<u><u>10,734,499,691</u></u>	<u><u>8,531,686,519</u></u>

The annexed notes from 1 to 16 form an integral part of these financial statements.


Ghulam Ahmad Adam
Chief Executive


Omar G. Adam
Director


Faisal Habib
Chief Financial Officer

Adam Sugar Mills Limited

Condensed Interim Statement of Cash Flows (Un-Audited)

For the period ended December 31, 2025

		December 31, 2025	December 31, 2024
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Profit before levies and taxation		75,968,846	37,862,271
<i>Adjustments for non cash and other items:</i>			
- Depreciation on property, plant and equipment	4.1	71,605,207	70,035,317
- Provision for gratuity		625,000	914,238
- Finance cost		26,971,285	39,696,828
- Profit on term deposit receipts		(2,732,877)	--
- Profit on saving accounts		(2,442)	--
- Amortization of deferred government grant - Net		(23,712)	(214,900)
- Provision for provident fund		781,944	720,900
		<u>97,224,406</u>	<u>111,152,383</u>
Cash generated from operating activities before working capital changes		173,193,252	149,014,653
Working capital changes:			
<i>Decrease / (increase) in current assets</i>			
- Stores and spares		(21,674,878)	(32,876,411)
- Stock in trade		(1,194,763,080)	1,999,949,730
- Short term investments		(500,000,000)	--
- Trade debts		507,328,841	(707,097,266)
- Short term loans, advances		(101,102,500)	(20,720,894)
- Trade deposits and short term prepayments		--	--
<i>Increase / (decrease) in current liabilities</i>			
- Trade and other payables		241,440,030	294,077,559
		<u>(1,068,771,587)</u>	<u>1,533,332,718</u>
Cash generated from / (used) in operations		(895,578,335)	1,682,347,371
- Financial costs paid		(32,247,425)	(240,742,640)
- Payment to Provident fund		(388,251)	(411,477)
- Taxes paid		(90,193,959)	(48,481,043)
		<u>(122,829,635)</u>	<u>(289,635,160)</u>
Net cash generated from / (used) in operating activities		(1,018,407,971)	1,392,712,211
CASH FLOWS FROM INVESTING ACTIVITIES			
- Fixed Capital Expenditure		(60,482,886)	(13,204,997)
- Long term advances transferred		3,691,600	30,864,400
- Profit received on saving accounts		2,442	--
- Profit received on investment in term deposit receipts		--	--
Net cash generated from / (used) in investing activities		(56,788,845)	17,659,403
CASH FLOWS FROM FINANCING ACTIVITIES			
- Short term borrowings - net		2,034,915,181	30,792,738
- Long term loan obtained		21,938,601	--
- Long term loan repaid		(25,976,500)	(46,805,986)
Net cash (used) in financing activities		2,030,877,282	(16,013,248)
Net increase / (decrease) in cash and cash equivalents		955,680,467	1,394,358,366
Cash and cash equivalents at the beginning of the period		(66,286,665)	(977,166,466)
Cash and cash equivalents at the end of the period		889,393,802	417,191,900

The annexed notes from 1 to 16 form an integral part of these financial statements.

Ghulam Ahmad Adam
Chief Executive

Umar G. Adam
Director

Faisal Habib
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-Audited)
For the period ended December 31, 2025

Total comprehensive income for the period

ended December 31, 2025

- Profit after tax
- Other comprehensive income/loss

Transfer to unappropriated profits on account of incremental depreciation

Transaction with owners

Final Cash dividend @ 40% for the year ended September 30, 2025

Balance as at December 31, 2025

The annexed notes from 1 to 16 form an integral part of these financial statements.

--	--	--	--	--	49,270,632	49,270,632
--	--	--	--	--	--	--
--	--	--	--	--	49,270,632	49,270,632
--	--	--	--	--	28,325,788	--
--	--	--	--	--	(69,163,848)	(69,163,848)
172,909,620	3,389,766,629	172,909,620	18,601,691	200,000,000	1,123,436,019	5,077,623,579


Ghulam Ahmad Adam
Chief Executive


Ghulam Ahmad Adam
Director


Faisal Habib
Chief Financial Officer

Adam Sugar Mills Limited

Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the period ended December 31, 2025

	December 31, 2025	December 31, 2024
	Rupees	
Profit after taxation	49,270,632	(11,037,060)
Other comprehensive (loss) / income for the year		
Items that will not be reclassified subsequently to profit or loss		
Gain / (Loss) on remeasurement of defined benefit obligation	--	--
Deferred tax on above	--	--
Total comprehensive income for the year	49,270,632	(11,037,060)

The annexed notes from 1 to 16 form an integral part of these financial statements.


Ghulam Ahmad Adam
Chief Executive


Omar G. Adam
Director


Faisal Habib
Chief Financial Officer

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 the 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 with the applicable accounting and reporting standards

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provision of, and directives issued under, the Companies Act, 2017.

Where the provisions of, and directives issued under, the Companies Act, 2017 differ from the IFRS, the provision of, and directive issued under, the Companies Act, 2017 have been followed.

2.2 Basis of measurement of items in these financial statements

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

2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Area of judgement	Brief description of the judgement applied
Property, plant and equipment	Whether the consumption of future economic benefits embodied in the Company's fixed assets is reduced over time and, accordingly, whether it is appropriate to use 'diminishing balance method' as the depreciation method.
Timing of revenue recognition	<i>Local sales revenue :</i> Whether control of the promised goods is transferred to the customer when the goods are dispatched from the Company's premises. <i>Export sales revenue :</i> Whether control of the promised goods is transferred to the customer when the goods are loaded onto the shipping vessel and, as an acknowledgement thereof, a bill of lading is issued by the shipping company.

(b) Assumptions and other major sources of estimation uncertainty

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Area of estimation uncertainty	Brief description of the assumption or the source of estimation uncertainty
Property, plant and equipment	-Estimation of useful lives and residual values of the operating fixed assets - Estimation of revalued amounts of freehold land, factory building, non-factory building and plant and machinery.
Deferred taxation	Recognition of deferred tax assets on unused tax losses and unused tax credits - availability of future taxable profit against which deductible temporary differences and unused tax losses and unused tax credits can be utilised

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these interim condensed financial statements are those applied in the preparation of the financial statements for the year ended September 30, 2025.

		31-Dec-25 Un-Audited	30-Sep-25 Audited
	Note	Rupees	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	6,512,686,512	6,225,458,341
Capital work in progress		97,050,804	388,549,985
Capital Spares		31,118,639	37,969,950
		<u>6,640,855,955</u>	<u>6,651,978,276</u>
4.1 Operating fixed assets			
Opening written down value		6,225,458,341	6,371,399,758
Addition to fixed assets - tangible		358,833,378	132,933,290
Depreciation charged		(71,605,207)	(278,874,707)
		<u>6,512,686,512</u>	<u>6,225,458,341</u>
4.2 Additions to fixed assets - tangible			
Factory buildings on freehold land		1,120,327	15,305,855
Plant and machinery		348,618,160	54,500,118
Vehicles		440,150	48,582,764
Computer and other equipments		144,000	3,922,334
Furniture and fixtures		300,000	2,920,974
Water connections and electrical installations		5,665,891	6,635,595
Tools and other equipments		2,544,850	1,065,650
		<u>358,833,378</u>	<u>132,933,290</u>
5 STOCK IN TRADE			
Work-in-process		130,329,338	5,518,899
Finished goods- Sugar		1,655,747,966	592,093,056
Finished goods- Molasses		210,612,293	204,314,561
		<u>1,866,360,259</u>	<u>796,407,617</u>
		<u>1,996,689,596</u>	<u>801,926,516</u>
6 TRADE DEBTS - unsecured, considered good			
Receivable against sales of sugar - Net		<u>235,983,356</u>	<u>743,312,197</u>

7 SHORT TERM LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS

Loans to staff	5,390,149	2,058,421
Advances:		
- to growers	12,293,945	28,606,327
- to contractors	841,501	2,266,820
- to suppliers	35,227,005	21,553,523
- against expenses	108,049	177,549
- others	47,459	--
	48,517,959	52,604,219
Withholding tax deposits with federal board of revenue	138,056,818	39,742,281
- Security deposit - Commissioner Workmen's Compensation Bahawalnagar	42,841,568	42,841,568
Prepayments	3,976,233	433,738
	<u>238,782,727</u>	<u>137,680,227</u>

8 CASH AND BANK BALANCES

Cash in hand	2,956,560	--
Cash at bank		
- Current accounts	886,291,436	26,447,638
- Deposit accounts	145,806	359,602
	886,437,242	26,807,240
	<u>889,393,802</u>	<u>26,807,240</u>

9 LONG TERM FINANCE - secured

From conventional banking companies

Habib Bank Limited	587,914,799	591,952,698
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From Islamic banking companies

Dubai Islamic Bank Pakistan Limited - SBP Solar Financing	13,641,267	13,641,267
	601,556,066	605,593,965
Current maturity shown under current liabilities	(193,994,716)	(150,780,809)
	407,561,349	454,813,156

10 SHORT TERM BORROWINGS

Unsecured - interest free

- from Chief Executive	32,164,394	32,164,394
- from Adam Lubricants Limited (a related concern)	840,057,389	744,841,005
	872,221,783	777,005,399

Secured

- from Conventional banking companies

- Habib Bank Limited	--	93,093,905
	--	93,093,905

- from Islamic banking companies

- AL Baraka Bank Limited	220,488,834	--
- Bank Of Punjab Cash Finance	275,625,000	--
- Meezan Bank Limited	600,013,908	--
- UBL Ameen	400,000,000	--
- Bank Al Falah Islamic Banking	151,459,921	--
- Askari Bank Limited	292,111,134	--
	1,939,698,797	--
	2,811,920,580	870,099,304

10.1 The short term credit facilities availed from banking companies comprise of Islamic Financing. These finances are secured against pledge of white refined sugar and personal guarantee of Chief Executive of the Company. Mark up charging rate for Islamic Financing markup at the rate of relevant KIBOR + 1.50% to 2.00%.

**11 SUBORDINATED LOAN FROM THE
CHIEF EXECUTIVE- unsecured**

Outstanding amount of the loan	<u>24,959,713</u>	<u>24,959,713</u>
Outstanding amount of the loan		
Balance as at the beginning of the year	24,959,714	22,571,399
Add: Interest on unwinding of the loan during the period	--	2,388,315
	<u>24,959,714</u>	<u>24,959,714</u>

As of September 30, 2025, the outstanding carrying amount of the loan was fully amortized to its nominal value (i.e. Rs. 24.96 million). However, the terms of the loan were not renegotiated with the Chief Executive of the Company and is repayable on demand.

12 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, 2025.

	31-Dec-25 Un-Audited	31-Dec-24 Un-Audited
	----- Rupees -----	
13 SALES REVENUE - net		
Local		
Sale of Sugar	1,457,840,398	2,977,325,816
Sale of Molasses	221,573,200	11,943,878
Sale of Others	12,195,863	3,636,593
	<u>1,691,609,461</u>	<u>2,992,906,287</u>
Export		
Sale of Sugar	--	887,550,568
	<u>1,691,609,461</u>	<u>3,880,456,855</u>

14 TRANSACTION WITH RELATED PARTIES

The related parties comprise associated undertakings, related group companies, local associates, directors and key management personnel. Transaction with related parties are carried out on arm's length basis.

Transactions with associated undertakings and related parties and other key management personnel under the term of their employment are as follows: -

	31-Dec-25 Un-Audited	30-Sep-25 Audited
	Rupees	
Adam Lubricants Limited		
Transactions during the period		
Lubricants purchased during the period / year	13,042,941	7,647,770
Payment against purchases during the period / year	8,265,770	8,167,642
Loan received during the period / year	2,191,285,104	2,932,815,970
Loan repaid during the period / year	2,096,068,720	3,018,042,965
Balances at the end of the period		
Payable against purchases	5,787,942	1,010,771
Short term loan payable	840,057,389	744,841,005
Chief Executive		
Balances at the end of the period / year		
Short term loan	32,164,394	32,164,394
Subordinated loan	24,959,713	24,959,713

15 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on January 30, 2025 by the Board of Directors of the Company.

16 GENERAL

Figures have been rounded off to the nearest rupees.


Ghulam Ahmad Adam
Chief Executive


Omar G. Adam
Director


Faisal Habib
Chief Financial Officer