COMPANY INFORMATION

BOARD OF DIRECTORS	MR. GHULAM AHMED ADAM MR. SYED NAZAR MAHMOOD SHAH MR. JAWAID AHMED LT. COL (RTD) MUHAMMAD MUJTABA MR. JUNAID G. ADAM MR. OMAR G. ADAM MR. MUSTAFA G. ADAM
AUDIT COMMITTEE	
CHAIRMAN	MR. JUNAID G. ADAM
MEMBER	MR. MUSTAFA G. ADAM
MEMBER	MR. JAWAID AHMED
HUMAN RESOURCES AND REMUNERATION COMMITEE	MR. JUNAID G. ADAM MR. OMAR G. ADAM LT. COL (RTD) MUHAMMAD MUJTABA
DIRECTOR FINANCE/ CORPORATE SECRETARY	MR. QAMAR RAFI KHAN Chartered Accountant
REGISTERED OFFICE	HAJI ADAM CHAMBERS, ALTAF HUSSAIN ROAD, NEW CHALLI, KARACHI-2 TEL NO. 32417812-16 & 32401139-43 FAX NO. 32427560 / 32417907 WEBSITE : **www.adam.com.pk/adamsugar.htm**
FACTORY	CHAK NO. 4, FORDWAH, CHISHTIAN DISTRICT BAHAWALNAGAR
STATUTORY AUDITORS	HAROON ZAKARIA & COMPANY CHARTERED ACCOUNTANTS
SHARE REGISTRARS	C & K MANAGEMENT ASSOCIATES (PVT) LTD 4TH FLOOR, 404 TRADER TOWER, ABDULLAH HAROON ROAD, KARACHI TEL NO. 35685930 FAX NO. 35687839

VISION

To be the leader in sugar industry by building the company's image through quality improvement, competitive price and meeting social obligations.

MISSION

- To endeavour to be the market leader by offering high quality sugar to our customers at competitive prices.
- To continue improving operating performance and profitability thereby ensuring growth for the Company while serving best interest of shareholders.

IN THE NAME OF AALAH
THE BENEIFICENT, THE MERCIFUL

CHIEF EXECUTIVE'S REVIEW

On behalf of Board of Directors, I am pleased to present to you the unaudited accounts of the Company for the first quarter ended 31st December, 2013.

OPERATING RESULTS:

	31-12-2013	31-12-2012
Cane Crushing-Metric Tons	133,822	105,519
Average Recovery	8.27%	9.08%
Sugar Produced – Metric Tons	10,200	8,890
Commenced Crushing on	05-12-2013	30-11-2012
Number of season days	27	32

Sugar cane price fixed by the Government for current season is Rs 170/- per 40 KG and the Company managed to earn satisfactory profit

Until 26 January , 2014 we have already crushed 269,736.45 tons of sugarcane at an average recovery of 8.44% and have Produced 22,780 tons of sugar.

The directors are pleased to place on record their appreciation for the devoted and dedicated services of the officers, staff and workers of the company

(GHULAM AHMED ADAM)
CHIEF EXECTTUIVE

Karachi: 27th January, 2014

CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT DECEMBER 31, 2013

	Note	December 31, 2013 (Unaudited) Rupees	September 30, 2013 (Audited) Rupees
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	1,418,655,187	1,408,055,187
Long term deposits		40,000	40,000
Intangible assets	6	405,920	427.284
		1,419,101,107	1,408,522,471
Current Assets			
Biological assets		167,513	167,513
Stores and spares	7	327,816,604	83,745,348
Stock in trade	8	1,355,131,560	1,788,783,932
Short term investments		24,231,546	23,518,154
Trade debts - considered good	9	37,507,901	37,805,574
Loans and advances - considered good		98,919,625	82,721,312
Deposits and prepayments		47,499,524	44,979,091
Others receivables - considered good		1,785,462	1,428,191
Interest accrued		401,000	394,975
Tax refund due from government		59,631,517	38,397,261
Cash and bank balances	10	314,893,614	66,925,706
		2,267,985,866	2,168,867,057
Total Assets		3,687,086,973	3,577,389,528
EQUITY AND LIABILITIES			
Authorized Share Capital			
10,000,000 Ordinary shares of Rs. 10 each		100,000,000	100,000,000
Issued, subscribed and paid-up capital		57,636,540	57,636,540
Reserves			
Revenue Reserves			
General reserve		200,000,000	200,000,000
Accumulated profit		201,943,481	192,807,255
		401,943,481	392,807,255
Shareholders' Equity		459,580,021	450,443,795
Surplus on revaluation of property, plant and equipment - net		232,643,186	233,903,358
Non-Current Liabilities			
Director's subordinated loan		239,324,437	239,324,437
Long term finances		322,124,300	318,162,100
Liabilities against assets subject to finance lease		-	-
Deferred liabilities		290,522,063	290,522,063
		851,970,800	848,008,600
Current Liabilities			
Short term borrowings	11	755,709,167	1,094,508,667
Trade and other payables		1,269,729,661	805,377,234
Accrued markup		15,825,734	38,108,598
Current maturity of non-current liabilities		50,000,000	50,000,000
Unclaimed dividend		4,051,459	4,227,845
Provision for taxation		47,576,945	52,811,431
		2,142,892,966	2,045,033,775
Contingencies			-
Total Equity and Liabilities		3,687,086,973	3,577,389,528

The annexed notes from 1 to 15 form an integral part of these financial statements

Karachi: 27th January, 2014

Chief Executive

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QURTER ENDED DECEMBER 31, 2013

	Note	December 31, 2013 Rupees	December 31, 2012 Rupees
Sales - net	12	1,148,928,035	505,049,531
Cost of sales		(1,107,937,517)	(480,883,214)
Gross profit		40,990,518	24,166,317
Administrative expenses		(14,789,672)	(9,311,710)
Selling and distribution expenses		(2,596,316)	(688,581)
		(17,385,988)	(10,000,291)
Operating profit/ (loss)		23,604,530	14,166,026
Other operating income		388,293	4,951,604
		23,992,823	19,117,630
Finance cost		(7,799,446)	(366,452)
Other operating charges		(10,359,261)	(1,331,334)
		(18,158,707)	(1,697,786)
Profit/(loss) before taxation		5,834,116	17,419,844
Taxation		2,041,940	(8,278,992)
Profit/(loss) after taxation		7,876,056	9,140,852
Earning per share - basic and diluted		1.37	1.59

The annexed notes from 1 to 15 form an integral part of these financial statements.

Karachi: 27th January, 2014

Chief Executive

Director

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QURTER ENDED DECEMBER 31, 2013

	December 31, 2013 *Rupees*	*December 31, 2012* *Rupees*
Profit/(loss) after taxation	7,876,057	9,140,852
Other comprehensive income		
Incremental depreciation transferred from surplus	1,260,169	1,446,591
Total comprehensive income / (Loss) for the year	9,136,226	10,587,443

The annexed notes from 1 to 15 form an integral part of these financial statements.

Karachi: 27th January, 2014

Chief Executive

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QURTER ENDED DECEMBER 31, 2013

	December 31, 2013 Rupees	December 31, 2012 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	7,876,057	17,419,844
Adjustments:		
Depreciation	8,636,295	11,689,271
Amortization	21,364	33,459
Finance cost	7,799,446	366,452
Provision for gratuity	-	12,208
	16,457,105	12,101,390
Cash generated from operating activities before working capital changes	24,333,162	29,521,234
Working capital changes:		
Decrease / (increase) in current assets		
Stores and spares	(244,071,256)	1,647,609
Stock in trade	433,652,372	(35,113,095)
Trade debts	297,673	-
Loans and advances	(16,198,313)	5,388,652
Deposits and prepayments	(2,520,433)	(149,580)
Interest accrued	(6,025)	(244,339)
Others receivables	(357,271)	(57,001)
	170,796,747	(28,527,754)
Increase / (decrease) in current liabilities		
Trade and other payables	427,711,137	323,400,869
	598,507,884	294,873,115
Net cash (used in) / generated from operations after working capital changes	622,841,046	324,394,349
Financial charges paid	(30,082,310)	(366,452)
WPPF Paid	-	(6,318,588)
Taxes paid	(7,276,431)	(5,357,891)
Net cash used in operating activities	585,482,305	312,351,418
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions in operating fixed assets-net of transfer	(1,963,705)	(26,513,965)
Additions in capital work in progress	-	(9,479,278)
Net cash used in investing activities	(1,963,705)	(35,993,243)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term finance - net	-	(500,000)
Receipt of long term finances	3,962,200	50,000,000
Repayment of short term borrowings - net	(338,799,500)	-
Net cash generated from financing activities	(334,837,300)	49,500,000
Net increase in cash and cash equivalents (A + B + C)	248,681,300	325,858,175
Cash and cash equivalents at beginning of period	90,443,860	64,921,104
Cash and cash equivalents at end of the period	339,125,160	390,779,279
Cash and cash equivalents		
Cash and bank balances	314,893,614	371,964,640
Short term investments	24,231,546	18,814,639
	339,125,160	390,779,279

The annexed notes from 1 to 15 form an integral part of these financial statements.

Karachi: 27th January, 2014

Chief Executive

Director

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31,2013

		Revenue Reserves			
Description	*Share Capital*	*General Reserve*	*Accumulated Profit*	*Total*	*Total*
	....Rupees..				
Balance as at September 30, 2012	**57,636,540**	**200,000,000**	**112,185,754**	**312,185,754**	**369,822,294**
Profit for the three months	-	-	9,140,852	9,140,852	9,140,852
Transferred from surplus on revaluation on account of incremental depriciation - net of deferred tax	-	-	1,446,591	1,446,591	1,446,591
Total comprehansive income	-	-	10,587,443	10,587,443	10,587,443
Balance as at December 31, 2012	**57,636,540**	**200,000,000**	**122,773,197**	**322,773,197**	**380,409,737**
Profit for the nine months	-	-	75,143,681	75,143,681	75,143,681
Transferred from surplus on revaluation on account of incremental depriciation - net of deferred tax	-	-	9,299,512	9,299,512	9,299,512
Total comprehansive income	-	-	84,443,193	84,443,193	84,443,193
Final dividend paid @ 25% (Rupees 2.5 per share) for the year ended September 30, 2012	-	-	(14,409,135)	(14,409,135)	(14,409,135)
Balance as at September 30, 2013	**57,636,540**	**200,000,000**	**192,807,255**	**392,807,255**	**450,443,795**
Profit for the three months	-	-	7,876,057	7,876,057	7,876,057
Transferred from surplus on revaluation on account of incremental depriciation - net of deferred tax	-	-	1,260,169	1,260,169	1,260,169
Total comprehansive income	-	-	9,136,226	9,136,226	9,136,226
Balance as at December 31, 2013	**57,636,540**	**200,000,000**	**201,943,481**	**401,943,481**	**459,580,021**

The general reserves and accumulated profit can be utilized for meeting any contingencies and for distribution of profits by way of dividends.

The annexed form an integral part of these financial statements.

Karachi: 27th January, 2014

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT FOR THE QUARTER ENDED DECEMBER 31, 2013 (UNAUDITED)

1. *COMPANY AND ITS OPERATIONS*

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. The Company is principally engaged in the manufacturing and sale of sugar. The registered office of the Company is situated at first floor Haji Adam Chambers, Altaf Hussain Road, New Challi, Karachi.

2. *BASIS OF PREPARATION*

These unaudited financial statements are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulation of Karachi and Lahore Stock Exchange of Pakistan and have been prepared in accordance with the requirements of the International Accounting Standards 34, interim financial regarding as applicable in Pakistan. These condensed interim Financial statements do not include all the Information and disclosures required for the full annual financial statements and should be real in conjunction with the financial statements of the company for the year ended Septemtember 30, 2013.

3. *ACCOUNTING POLICIES & ESTIMATES*

The accounting policies and methods of compution followed for the preparation of these financial statements are same as those applied in preparing the financial statements for the year ended September 30, 2013.

4. *ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT*

The preparation of condensed financial statements in conformity with approved accounting standards, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and various other factors, including reasonable expections of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the yaer ended September 30, 2013.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended September 30, 2013.

ADAM SUGAR MILLS LIMITED

		Note	December 31, 2013 (Unaudited) Rupees	September 30, 2013 (Audited) Rupees
5	*PROPERTY, PLANT AND EQUIPMENT*			
	Operating fixed assets	5.1	1,418,655,187	1,408,055,187
	Capital work in progress	5.2	-	-
			1,418,655,187	1,408,055,187
5.1	***Operating fixed assets***			
	Opening written down value		1,408,055,187	882,595,204
	Addition		1,963,705	611,593,129
	Disposal		-	19,093,653
	Depreciation charge		8,636,295	67,039,493
			1,418,655,187	1,408,055,187
5.1.1	***Addition to fixed assets - tangible***			
	Free hold land		-	5,127,093
	Factory building on Free hold land		-	29,056,618
	Non factory building on lease hold land		-	-
	Plant and machinery		-	564,376,111
	Vehicle		1,038,527	12,189,871
	Office equipement			-
	Computer and other equipments		354,820	326,610
	Furniture and fixtures		385,789	516,826
	Electrical equipments		184,569	-
	Tools and other equipments		-	-
	Arms and ammunations		-	-
			1,963,705	611,593,129
6	*INTANGIBLE ASSETS*			
	- Accounting Software			
	Cost		427,284	1,209,500
	Addition		-	-
	Accoumulated amortization		(21,364)	(782,216)
			405,920	427,284
	Rate of amortization		20%	20%

	Note	December 31, 2013 (Unaudited) Rupees	September 30, 2013 (Audited) Rupees
7 *STORES AND SPARES*			
Stores		297,699,022	67,224,452
Spares		30,117,582	16,520,896
		327,816,604	83,745,348
8 *STOCK IN TRADE*			
Sugar in process		5,256,400	4,713,821
Sugar - finished goods		1,301,690,600	1,776,999,151
Molasses		48,184,560	7,070,960
		1,355,131,560	1,788,783,932

9 *TRADE DEBTS - CONSIDERED GOOD*

This includes Rs.37.507 (2013 : Rs.37.508) million recievable from Province of Punjab through District Collector Bahawalnagar and other related Government departments

	Note	December 31, 2013 (Unaudited) Rupees	September 30, 2013 (Audited) Rupees
10 *CASH AND BANK BALANCES*			
Cash in hand		16,586,618	471,984
Cash at bank			
- Current accounts		157,947,978	35,167,245
- Deposit accounts		140,359,018	31,286,477
		298,306,996	66,453,722
		314,893,614	66,925,706
11 *SHORT TERM BORROWINGS*			
Unsecured - interest free			
- from chief executive	11.1	555,727,133	544,527,133
Secured - interest bearing			
- from banking companies		199,982,034	549,981,534
		755,709,167	1,094,508,667

11.1 This is an interest free short term loan from chief executive of the company

	December 31, 2013 (Unaudited) Rupees	December 31, 2012 (Unaudited) Rupees
12 *SALES - NET*		
Sugar - Local	1,193,459,368	543,359,400
Export sale	33,198,657	-
Molasses	7,935,300	1,938,975
	1,234,593,325	545,298,375
Federal excise duty	(85,665,290)	(40,248,844)
	1,148,928,035	505,049,531

13 *TRANSACTIONS WITH RELATED PARTIES*

The related parties comprise associated companies, directors and key management personnel. Year end balances of related parties are shown in the relevant notes to the financial statements. Other transactions with related parties are disclosed as follows: -

	December 31, 2013 (Unaudited) Rupees	December 31, 2012 (Unaudited) Rupees
Receipts of short term loan from the director	31,200,000	-
Repayments of short term loan from the director	20,000,000	500,000
Purchases of oil and lubricants - from associated undertaking	5,729,105	4,352,878
Payment to associated undertaking against oil and lubricants	5,773,953	4,352,878

14 *DATE OF AUTHORIZATION FOR ISSUE*

These financial statements were authorized for issue on 27 January, 2014 by the Board of Directors of the Company.

15 *SEASONALITIES OF OPERATIONS*

The sugar Industries is operating on seasonal basis normally from November to March/April. Therefore all major production cost other than fixed cost, for example cost of goods manufactured, stock being reflected to be high in this periods.

15 *GENERAL*

Figures have been rounded off to the nearest rupee.

Karachi: 27th January, 2014

Chief Executive

Director

IN THE NAME OF ALLAH
THE BENEFICENT, THE MERCIFUL

CONTENTS

ADAM SUGAR MILLS LIMITED

QUARTERLY REPORT

FOR THE QUARTER ENDED
31 December 2013
(UN-AUDITED)