



---

**M I R Z A**

---

**SUGAR**

---

**MILLS**

---

**LIMITED**

---

**ACCOUNTS FOR THE  
1ST QUARTER ENDED  
DECEMBER 31, 2012  
(UN-AUDITED)**

# COMPANY PROFILE

## BOARD OF DIRECTORS:

DR. (MRS). FEHMIDA MIRZA  
DR. ZULFIQAR ALI MIRZA  
MS. FARIDA ABBASI  
MR. ARSHAD ABID ABBASI  
MS. FAREHA ABID KAZI  
MIRZA SAULAT RAZA  
MR. IRSHAD HUSSAIN MIRZA

Chairperson & Chief Executive

## AUDIT COMMITTEE:

MIRZA SAULAT RAZA  
MS. FARIDA ABBASI  
MR. IRSHAD HUSSAIN MIRZA

- Chairman  
- Member  
- Member

## H R & R COMMITTEE:

MS. FARIDA ABBASI  
MIRZA SAULAT RAZA  
MR. IRSHAD HUSSAIN MIRZA

- Chairperson  
- Member  
- Member

## CHIEF FINANCIAL OFFICER & COMPANY SECRETARY:

MR. TARIQ MAHMOOD

## LEGAL ADVISOR:

MR. GHULAM QADIR ZARGAR

## AUDITORS:

M/S. RAHMAN SARFARAZ  
RAHIM IQBAL RAFIQ  
(CHARTERED ACCOUNTANTS)

## BANKERS TO THE COMPANY:

HABIB BANK LIMITED  
NIB BANK LIMITED.  
MCB BANK LIMITED.

## SHARES REGISTRAR:

M/S. TECHNOLOGY TRADE (PVT) LIMITED  
DAGIA HOUSE, 241-C,  
BLOCK-2, P.E.C.H.S.  
OFF: SHAHRAH-E-QUAIDEEN,  
KARACHI. TEL NO. 021-34391316-7

## REGISTERED OFFICE:

10TH FLOOR, PORTION 'B'  
LAKSON SQUARE, BUILDING NO. 1,  
SARWAR SHAHEED ROAD, KARACHI.

## MILLS:

DEH CHHARO TAPPO, LOWARI SHARIFF  
DISTRICT BADIN, SINDH.

## E-MAIL ADDRESS:

pmsml@hotmail.com

## WEBSITE:

www.mirzasugar.com

# DIRECTORS' REPORT

Dear Shareholders:

The Directors are pleased to present the un-audited accounts and a brief review of Company's activities during the first quarter ending December 31, 2012.

## General

During the first quarter, the company's activities were limited to mills preparation, test and trial runs of the various sections. There was no operational activity. The mill was ready in the last week of November 2012. Boilers were lighted on November 29, 2012.

The Government of Sindh further enhanced the support price of cane to Rs.174 per 40 kg from previous support price of Rs.154 per 40 kg. This enhancement is a mismatch compared to the depressed market price of sugar. Mills in the Southern belt of Sindh delayed their crushing operations because of shortage of cane and depressed market price of sugar.

## Operating Results

MSML could not start crushing operations by December 31, 2012. However, for the purpose of comparison, the operating results for the quarter ended December 31, 2011, is given below :

	<u>December 31, 2012</u>	<u>December 31, 2011</u>
Season started	-	23-12-2011
Days worked	-	09
Sugarcane crushing (Tons)	-	8,089
(Maunds)	-	202,225
Sugar recovery (%)	-	7.940
Sugar production (Tons)	-	142.5
Molasses recovery (%)	-	5.269
Molasses production (Tons)	-	20

## Financial Results

The Company posted a gross loss of Rs.21.34 million during the quarter under report compared to a gross loss of Rs.72.54 million recorded during the same quarter last year. The Company incurred a net loss of Rs.36.61 million during the quarter compared to Rs. 90.02 million booked during the corresponding quarter last year.

## Future Prospects

Future prospects of the coming season are difficult because of crop shortage in Southern Sindh and depressed market price of sugar.

**MIRZA SAULAT RAZA**  
Director

**IRSHAD HUSSAIN MIRZA**  
Director

Karachi,  
January 24, 2013

Note : The Chief Executive presently being out of station, the Directors Report is signed by two directors.

**BALANCE SHEET (UN-AUDITED)  
AS AT DECEMBER 31, 2012**

	Notes	Un-audited December 2012	Audited September 2012
		Rupees	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	172,329,387	175,726,018
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		29,318,794	26,372,886
Stock-in-trade		46,394,352	87,209,660
Trade debts		34,813,749	26,951,149
Prepayments, loan and advances		17,103,265	19,550,550
Cash and bank balances		24,221,999	2,315,569
		<u>151,852,159</u>	<u>162,399,814</u>
<b>TOTAL ASSETS</b>		<u><b>324,181,545</b></u>	<u><b>338,125,832</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized Capital</b>			
15,000,000 Ordinary Shares of Rs. 10/- each.		<u>150,000,000</u>	<u>150,000,000</u>
<b>Issued, Subscribed and Paid up Capital</b>			
14,100,000 Ordinary Shares of Rs. 10/- each fully paid in cash		<u>141,000,000</u>	<u>141,000,000</u>
Accumulated losses		<u>(536,947,586)</u>	<u>(500,335,753)</u>
		<u><b>(395,947,586)</b></u>	<u><b>(359,335,753)</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term finances		17,442,360	16,788,482
Deferred liabilities		120,426,718	120,426,718
<b>CURRENT LIABILITIES</b>			
Current portion of long-term finances		<u>341,834,028</u>	<u>342,487,992</u>
Trade and other payables		<u>200,338,053</u>	<u>176,830,407</u>
Accrued markup on finances		<u>18,991,927</u>	<u>18,991,927</u>
Provision for taxation		<u>21,096,045</u>	<u>21,936,059</u>
		<u><b>582,260,054</b></u>	<u><b>560,246,385</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>324,181,545</b></u>	<u><b>338,125,832</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
		-	-

The annexed notes form an integral part of these financial statements.

**Note:** As required under section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in absence of Chief Executive of the Company who is for the time being out of station.

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDED DECEMBER 31, 2012**

	Note	December 31, 2012	December 31, 2011
		Rupees	
Sales - net		40,384,352	80,860,695
Cost of sales	6	<u>(61,721,461)</u>	<u>(153,399,430)</u>
<b>Gross profit/(loss)</b>		<b>(21,337,109)</b>	<b>(72,538,735)</b>
<b>Operating expenses</b>			
Administrative and general		<b>15,234,569</b>	16,215,091
Selling and distribution		<b>15,195</b>	27,059
		<u><b>(15,249,764)</b></u>	<u>(16,242,150)</u>
<b>Operating profit/(loss)</b>		<b>(36,586,873)</b>	<b>(88,780,885)</b>
Financial charges		<b>(32,460)</b>	(421,625)
Other Income/(Charges)		<b>7,500</b>	(5,796)
		<u><b>(24,960)</b></u>	<u>(427,421)</u>
<b>Profit/(Loss) before taxation</b>		<b>(36,611,833)</b>	<b>(89,208,305)</b>
<b>Provision for taxation:</b>			
Current		-	(808,607)
<b>Net Profit/(Loss) after taxation</b>		<u><b>(36,611,833)</b></u>	<u><b>(90,016,913)</b></u>
<b>Earning/(Loss) per share - basic</b>		<u><b>(2.60)</b></u>	<u>(6.38)</u>

The annexed notes form an integral part of these financial statements.

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED DECEMBER 31, 2012**

	December 31, 2012	December 31, 2011
	_____	_____
	Rupees	
<b>Profit/ (loss) after taxation</b>	(36,611,833)	(90,016,913)
Other comprehensive income	-	-
<b>Total comprehensive income for the period transferred to equity</b>	<u>(36,611,833)</u>	<u>(90,016,913)</u>

The annexed notes form an integral part of these financial statements.

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED DECEMBER 31, 2012**

	<b>Share Capital <u>Rupees</u></b>	<b>Accumulated Loss <u>Rupees</u></b>	<b>Total <u>Rupees</u></b>
<b>Balance as at September 30, 2011</b>	141,000,000	(619,208,870)	(478,208,870)
Comprehensive income / (loss)	-	(90,016,913)	(90,016,913)
<b>Balance as at December 31, 2011</b>	<b>141,000,000</b>	<b>(709,225,783)</b>	<b>(568,225,783)</b>
Comprehensive income	-	208,890,030	208,890,030
<b>Balance as at September 30, 2012</b>	<b>141,000,000</b>	<b>(500,335,753)</b>	<b>(359,335,753)</b>
Comprehensive income / (loss)	-	(36,611,833)	(36,611,833)
<b>Balance as at December 31, 2012</b>	<b>141,000,000</b>	<b>(536,947,586)</b>	<b>(395,947,586)</b>

The annexed notes form an integral part of these financial statements.

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

**CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED DECEMBER 31, 2012**

	<b>December 31, 2012</b>	<b>December 31, 2011</b>
	<b>Rupees</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	(36,611,833)	(89,208,305)
<b>Adjustments for :</b>		
Depreciation	4,454,631	4,981,639
(Gain)/Loss on sale of fixed assets	(7,500)	5,796
Financial charges	32,460	421,625
	4,479,592	5,409,060
<b>Operating cash inflows/(outflows) before working capital changes</b>	<b>(32,132,242)</b>	<b>(83,799,245)</b>
<b>Changes in working capital</b>		
<b>(Increase)/Decrease in current assets</b>		
Stores, spares and loose tools	(2,945,908)	(7,266,802)
Stock in trade	40,815,308	91,925,345
Trade debtors - unsecured	(7,862,600)	25,028,950
Loans and advances	2,447,284	12,308,364
<b>Increase / (Decrease) in current liabilities</b>		
Trade and other payables	23,507,560	(28,376,052)
	55,961,646	93,619,805
<b>Cash generated from operations</b>	<b>23,829,404</b>	<b>9,820,559</b>
Taxes paid	(840,014)	(70,403)
Financial charges paid	(32,460)	(421,625)
	(872,474)	(492,028)
<b>Net cash generated from operating activities</b>	<b>22,956,930</b>	<b>9,328,531</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of vehicles	67,000	18,000
Fixed capital expenditure	(1,117,500)	(926,725)
<b>Net cash (used in) investing activities</b>	<b>(1,050,500)</b>	<b>(908,725)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term loans	-	(5,935,309)
<b>Net cash (used in) financing activities</b>	<b>-</b>	<b>(5,935,309)</b>
<b>Increase/(Decrease) in cash and cash equivalent</b>	<b>21,906,430</b>	<b>2,484,497</b>
<b>Cash and cash equivalent at beginning of the period</b>	<b>2,315,569</b>	<b>14,195,373</b>
<b>Cash and cash equivalent at end of the period</b>	<b>24,221,998</b>	<b>16,679,870</b>

The annexed notes form an integral part of these financial statements.

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**



# NOTES TO THE ACCOUNTS (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31,2012

## 1 THE COMPANY AND ITS OPERATION

- 1.1 The company was incorporated in Pakistan on January 16, 1990, as a public limited company and listed on Karachi and Lahore Stock Exchanges. The principal business of the company is to manufacture and sell white sugar.
- 1.2 The company's accumulated loss as on balance sheet date amounted to Rs. 536.948 million (September 2012: 500.335 million) and equity is negative by Rs. 395.948 million (September 2012: Rs. 359.336 million). The increase is due to the net loss of Rs. 36.612 million. Its current liabilities exceeds current assets by Rs. 430.408 million (September 2011: 397.846 million).

The status of long term liabilities is the same as given in the annual audited financial statements for the year ended September 30, 2012.

These financial statements have accordingly been prepared using going concern assumption.

## 2 BASIS OF PREPARATION

These unaudited interim financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34, "Interim Financial Reporting" and in compliance with requirement of Section 245 of the Companies Ordinance, 1984.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these accounts are the same as those applied in preparing the annual audited accounts for the year ended September 30, 2012.

## 4 CONTINGENCIES

Contingencies are the same as have been reported in the financial statements of the company for the year ended September 30, 2012.

	Un-audited December 2012 Rupees	Audited September 2012 Rupees
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>		
<b>5.1 Acquisition - at cost</b>		
Plant & Machinery	1,050,000	-
Office Equipments	-	926,724
Furniture & Fixture	-	165,570
Vehicles	67,500	70,000
	<b>1,117,500</b>	<b>1,162,294</b>
<b>5.2 Disposal- at cost</b>		
Vehicles	(70,000)	(251,455)
	<b>(70,000)</b>	<b>(251,455)</b>

	December 31, 2012	December 31, 2011
	Rupees	
<b>6 COST OF GOODS SOLD</b>		
Raw material consumed (including procurement and development expenses)	161,800	31,770,059
Chemicals	85,599	544,672
Oils & Lubricants	363,064	790,163
Stores and spares consumed	4,948,502	9,858,050
Packing material consumed	-	101,256
Salaries and allowances	8,065,315	8,756,052
Repair and maintenance	206,377	704,254
Fuel and power	1,471,164	2,180,312
Insurance	1,281,826	1,257,058
Freight and handling	442,260	901,491
Depreciation	3,880,246	4,282,218
Others	-	328,501
	<b>20,906,153</b>	<b>61,474,085</b>
<b>Opening stock</b>		
Finished stock - Sugar	<b>85,337,759</b>	138,967,362
Sugar in process	<b>1,871,901</b>	1,859,250
	<b>87,209,660</b>	140,826,612
	<b>108,115,813</b>	202,300,697
<b>Closing stock</b>		
Finished stock - Sugar	<b>(46,394,352)</b>	(48,901,267)
	<b>61,721,461</b>	153,399,430

## 7 AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on January 24, 2013 by the Board of Directors of the Company.

## 8 GENERAL

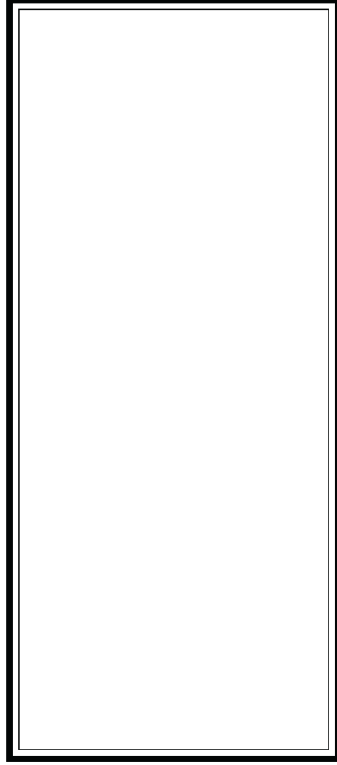
Figures have been rounded off to the nearest rupee.

**Director**

**Director**

**BOOK POST**

Printed Matter



*If undelivered please return to :*

**MIRZA SUGAR MILLS LIMITED**

10th Floor, Portion 'B', Building No. 1,  
Lakson Square, Sarwar Shaheed Road, Karachi.