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**ACCOUNTS FOR THE  
1ST QUARTER ENDED  
DECEMBER 31, 2013  
(UN-AUDITED)**

# COMPANY PROFILE

## BOARD OF DIRECTORS:

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

## AUDIT COMMITTEE:

MIRZA SAULAT RAZA                      -      Chairman  
MS. FARIDA ABBASI                      -      Member  
MR. IRSHAD HUSSAIN MIRZA       -      Member

## HR & R COMMITTEE:

MS. FARIDA ABBASI                      -      Chairperson  
MIRZA SAULAT RAZA                      -      Member  
MR. IRSHAD HUSSAIN MIRZA       -      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 SHARIF  
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 review of the Company for the first quarter ending December 31, 2013.

## General

There were fewer activities during the quarter ended December 31, 2013. Mills maintenance activities were delayed and slow because of funds constraints. Uncertainty with regard to sugarcane availability in our zone continued to persist. Although, Government of Sindh announcement about retaining the price of sugarcane at the last year's level of 2012-13 came late, but still it did not mitigate the negative economics of sugar-production; particularly for the mills in the Southern Sindh with low sucrose contents in the cane.

All the factors and those mentioned in our Annual Report 2012-13 in Section on prospects for 2013-14 have compelled us to delay the starting of crushing season 2013-14.

## Operational Activities

There were no operational activities during the quarter under report.

## Financial Results

The Company booked a gross loss of Rs.5.32 million during the quarter compared to a gross loss of Rs.21.34 million booked during the first quarter of last year. A net loss of Rs.12.30 million was booked during the quarter under review compared to a net loss of Rs.36.61 million booked during the corresponding quarter last year.

**MIRZA SAULAT RAZA**  
Director

**IRSHAD HUSSAIN MIRZA**  
Director

Karachi,  
January 23, 2014

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, 2013**

		Un-audited December 2013	Audited September 2013
<b>ASSETS</b>		Rupees	
<b>NON-CURRENT ASSETS</b>	<b>Note</b>		
Property, plant and equipment	5	155,188,029	159,149,292
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		24,534,335	24,534,335
Stock-in-trade		1,947,496	22,900,294
Trade debts		42,315,809	26,259,168
Prepayments, loan and advances		7,992,996	9,079,601
Cash and bank balances		1,441,138	2,233,385
		<b>78,231,774</b>	<b>85,006,783</b>
<b>TOTAL ASSETS</b>		<b>233,419,802</b>	<b>244,156,075</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized Capital</b>			
15,000,000 Ordinary Shares of Rs. 10/- each.		150,000,000	150,000,000
<b>Issued, Subscribed and Paid up Capital</b>			
14,100,000 Ordinary Shares of Rs. 10/- each fully paid in cash		141,000,000	141,000,000
Accumulated losses		(634,316,300)	(622,016,255)
		<b>(493,316,300)</b>	<b>(481,016,255)</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term finances		16,788,483	16,788,483
Deferred liabilities		121,920,553	121,920,553
<b>CURRENT LIABILITIES</b>			
Current portion of long-term finances		342,487,992	342,487,992
Trade and other payables		205,742,216	204,178,449
Accrued markup on finances		18,991,931	18,991,927
Provision for taxation		20,804,927	20,804,927
		<b>588,027,066</b>	<b>586,463,295</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>233,419,802</b>	<b>244,156,076</b>
<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, 2013**

		December 31, 2013	December 31, 2012
Note		Rupees	
Sales - net		20,963,202	40,384,352
Cost of sales	6	(26,283,591)	(61,721,461)
<b>Gross profit/(loss)</b>		<b>(5,320,389)</b>	<b>(21,337,109)</b>
 <b>Operating expenses</b>			
Administrative and general		6,918,178	15,234,569
Selling and distribution		51,949	15,195
		<b>(6,970,127)</b>	<b>(15,249,764)</b>
<b>Operating profit/(loss)</b>		<b>(12,290,516)</b>	<b>(36,586,873)</b>
Financial charges		(9,529)	(32,460)
Other Income/(Charges)		-	7,500
		<b>(9,529)</b>	<b>(24,960)</b>
<b>Profit/(Loss) before taxation</b>		<b>(12,300,045)</b>	<b>(36,611,833)</b>
<b>Provision for taxation:</b>			
Current		-	-
<b>Net Profit/(Loss) after taxation</b>		<b>(12,300,045)</b>	<b>(36,611,834)</b>
Earning/(Loss) per share - basic		<b>(0.87)</b>	<b>(2.60)</b>

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, 2013**

	December 31, 2013	December 31, 2012
	_____ Rupees _____	
<b>Profit/ (loss) after taxation</b>	(12,300,045)	(36,611,834)
Other comprehensive income	-	-
<b>Total comprehensive income for the period transferred to equity</b>	<u>(12,300,045)</u>	<u>(36,611,834)</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, 2013**

	<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, 2012</b>	141,000,000	(500,335,754)	(359,335,754)
Comprehensive income / (loss)	-	(36,611,833)	(36,611,833)
<b>Balance as at December 31, 2012</b>	<b>141,000,000</b>	<b>(536,947,587)</b>	<b>(395,947,587)</b>
Comprehensive income	-	(85,068,668)	(85,068,668)
<b>Balance as at September 30, 2013</b>	<b>141,000,000</b>	<b>(622,016,255)</b>	<b>(481,016,255)</b>
Comprehensive income / (loss)	-	(12,300,045)	(12,300,045)
<b>Balance as at December 31, 2013</b>	<b>141,000,000</b>	<b>(634,316,300)</b>	<b>(493,316,300)</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, 2013**

	December 31, 2013	December 31, 2012
Rupees		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	(12,300,045)	(36,611,833)
<b>Adjustments for :</b>		
Depreciation	3,961,228	4,454,631
(Gain)/Loss on sale of fixed assets	-	(7,500)
Financial charges	9,529	32,460
	3,970,757	4,479,591
<b>Operating cash inflows/(outflows) before working capital changes</b>	<b>(8,329,288)</b>	<b>(32,132,242)</b>
<b>Changes in working capital</b>		
<b>(Increase)/Decrease in current assets</b>		
Stores, spares and loose tools	-	(2,945,908)
Stock in trade	20,952,798	40,815,308
Trade debtors - unsecured	(16,056,641)	(7,862,600)
Loans and advances	1,086,605	2,447,284
<b>Increase / (Decrease) in current liabilities</b>		
Trade and other payables	1,563,809	23,507,560
	7,546,571	55,961,646
<b>Cash generated from operations</b>	<b>(782,717)</b>	<b>23,829,404</b>
Taxes paid	-	(840,014)
Financial charges paid	(9,529)	(32,460)
	(9,529)	(872,474)
<b>Net cash generated from operating activities</b>	<b>(792,246)</b>	<b>22,956,930</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of vehicles	-	67,000
Fixed capital expenditure	-	(1,117,500)
<b>Net cash (used in) investing activities</b>	-	(1,050,500)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term loans	-	-
<b>Net cash (used in) financing activities</b>	-	-
<b>Increase/(Decrease) in cash and cash equivalent</b>	<b>(792,246)</b>	<b>21,906,430</b>
<b>Cash and cash equivalent at beginning of the period</b>	<b>2,233,385</b>	<b>2,315,569</b>
<b>Cash and cash equivalent at end of the period</b>	<b>1,441,139</b>	<b>24,221,998</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, 2013

## 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. 634.316 million (September 2013: Rs. 622.016 million) and equity is negative by Rs. 493.316 million (September 2013: Rs. 481.016 million). The increase is due to the net loss of Rs. 12.300 million. Its current liabilities exceed current assets by Rs. 509.795 million (September 2013: Rs. 501.457 million).

The status of long term liabilities is the same as given in the annual audited financial statements for the year ended September 30, 2013.

## 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, 2013.

## 4 CONTINGENCIES

Contingencies are the same as have been reported in the financial statements of the company for the year ended September 30, 2013.

## 5 PROPERTY, PLANT AND EQUIPMENT

5.1 Acquisition - at cost

	Un-audited December 2013 Rupees	Audited September 2013 Rupees
Plant & Machinery	-	1,260,000
Vehicles	-	67,500
	-	1,327,500
5.2 Disposal- at cost		
Vehicles	-	(111,000)
	-	(111,000)

	December 31, 2013 Rupees	December 31, 2012 Rupees
<b>6 COST OF GOODS SOLD</b>		
Raw material consumed (including procurement and development expenses)	-	161,800
Chemicals	-	85,599
Oils & Lubricants	-	363,064
Stores and spares consumed	-	4,948,502
Salaries and allowances	450,654	8,065,315
Repair and maintenance	-	206,377
Fuel and power	233,664	1,471,164
Insurance	1,149,397	1,281,826
Freight and handling	-	442,260
Depreciation	3,497,078	3,880,246
	<b>5,330,793</b>	<b>20,906,153</b>
<b>Opening stock</b>		
Finished stock - Sugar	<b>20,952,798</b>	85,337,759
Sugar in process	<b>1,947,496</b>	1,871,901
	<b>22,900,294</b>	87,209,660
	<b>28,231,087</b>	108,115,813
<b>Closing stock</b>		
Sugar in process	<b>1,947,496</b>	(46,394,352)
	<b>26,283,591</b>	61,721,461

**7 AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue on January 23, 2014 by the Board of Directors of the Company.

**8 GENERAL**

Figures have been rounded off to the nearest rupee.

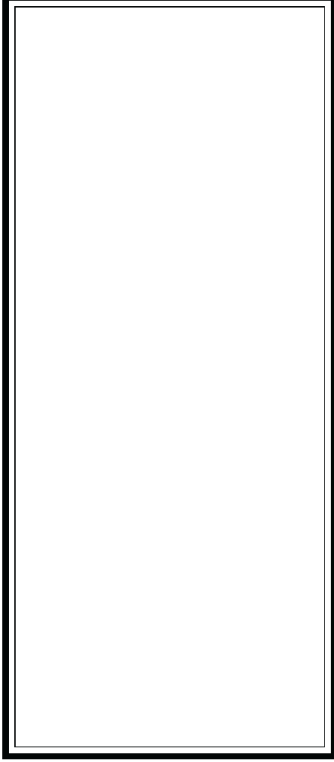
\_\_\_\_\_  
**Director**

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



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