



M I R Z A

SUGAR

MILLS

LIMITED

**ACCOUNTS FOR THE
1ST QUARTER ENDED
DECEMBER 31, 2014
(UN-AUDITED)**

COMPANY PROFILE

BOARD OF DIRECTORS:

MR. GHULAM MOHIUDDIN ABBASI - Chairman & 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. IRSHAD HUSSAIN MIRZA

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 review of the Company for the first quarter ended December 31, 2014.

General

During the quarter ending December 31, normally mills maintenance and preparation works are carried out to ensure crushing operation during the season.

In spite of the financial constraints and no financing facilities from banks/financial institutions, the management completed the mill preparation and maintenance works with its own limited resources and got the mill ready to start crushing during the Crushing Season 2014-15.

Sugarcane support price of Rs.182/- per 40 kg for the season being high, Sindh sugar mills demanded to also fix the price of sugar in correlation with the high rate of sugarcane. Considering the sugar-mills plea, the Government of Sindh was pleased to reduce the cane support price to Rs.155/- till fixation of sugar price, which was subsequently withdrawn after protest from growers and the earlier fixed price was reinforced. Sugar-mills have filed petition in the court of law in the matter.

Operational Activities

The mill has started crushing on December 28, 2014 and crushed only 26,062 maunds of sugarcane till December 31, 2014.

Financial Results

Since there is no revenue generation during the quarter under review, the Company suffered a gross loss of Rs. 20.515 million during the quarter compared to a gross loss of Rs. 5.320 million booked during the first quarter of last year. A net loss of Rs. 27.580 million was booked during the quarter under review compared to a net loss of Rs. 12.300 million sustained during the corresponding quarter last year.

GHULAM MOHIUDDIN ABBASI
Chairman & Chief Executive

Karachi,
January 26, 2015

**BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2014**

	Un-audited December 31, 2014	Audited September 30, 2014
ASSETS		
NON-CURRENT ASSETS	Note	Rupees
Property, plant and equipment	5	
	139,778,795	143,304,375
CURRENT ASSETS		
Stores, spares and loose tools	32,713,263	24,534,334
Stock-in-trade	6,071,382	1,947,496
Trade debts	8,377,625	37,329,920
Prepayments, loan and advances	6,047,446	8,735,366
Cash and bank balances	3,343,422	1,080,906
	56,553,138	73,628,022
TOTAL ASSETS	196,331,932	216,932,397
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized Capital		
15,000,000 Ordinary Shares of Rs. 10/- each.	150,000,000	150,000,000
Issued, Subscribed and Paid up Capital		
14,100,000 Ordinary Shares of Rs. 10/- each fully paid in cash	141,000,000	141,000,000
Accumulated losses	(685,938,979)	(658,358,953)
	(544,938,979)	(517,358,953)
NON-CURRENT LIABILITIES		
Long-term finances	16,788,482	16,788,482
Deferred liabilities	120,683,373	120,683,373
CURRENT LIABILITIES		
Current portion of long-term finances	342,487,991	342,487,991
Trade and other payables	221,223,076	214,243,518
Accrued markup on finances	18,991,931	18,991,927
Provision for taxation	21,096,059	21,096,059
	603,799,057	596,819,495
TOTAL EQUITY AND LIABILITIES	196,331,932	216,932,397
CONTINGENCIES AND COMMITMENTS	-	-

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

Chief Executive

Director

**PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2014**

		December 31, 2014	December 31, 2013
Note		Rupees	
Sales - net		-	20,963,202
Cost of sales	6	(20,514,609)	(26,283,591)
Gross Loss		(20,514,609)	(5,320,389)
Operating expenses			
Administrative and general		6,962,289	6,918,178
Selling and distribution		93,715	51,949
		(7,056,004)	(6,970,127)
Operating Loss		(27,570,613)	(12,290,516)
Financial charges		(9,413)	(9,529)
Other Income/(Charges)		-	-
		(9,413)	(9,529)
Loss before taxation		(27,580,026)	(12,300,045)
Provision for taxation:			
Current		-	-
Net Loss after taxation		(27,580,026)	(12,300,046)
Loss per share - basic		(1.96)	(0.87)

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

Chief Executive

Director

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2014**

	<u>Share Capital Rupees</u>	<u>Accumulated Loss Rupees</u>	<u>Total Rupees</u>
Balance as at September 30, 2013	141,000,000	(622,016,257)	(481,016,257)
Comprehensive income / (loss)	-	(12,300,045)	(12,300,045)
Balance as at December 31, 2013	141,000,000	(634,316,302)	(493,316,302)
Comprehensive income	-	(24,042,651)	(24,042,651)
Balance as at September 30, 2014	141,000,000	(658,358,953)	(517,358,953)
Comprehensive income / (loss)	-	(27,580,026)	(27,580,026)
Balance as at December 31, 2014	141,000,000	(685,938,979)	(544,938,979)

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

Chief Executive

Director

**CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2014**

	December 31, 2014	December 31, 2013
Rupees		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(27,580,026)	(12,300,045)
Adjustments for :		
Depreciation	3,525,544	3,961,228
(Gain)/Loss on sale of fixed assets	-	-
Financial charges	9,413	9,529
	3,534,957	3,970,757
Operating cash inflows/(outflows) before working capital changes	(24,045,069)	(8,329,288)
Changes in working capital (Increase)/Decrease in current assets		
Stores, spares and loose tools	(8,178,929)	-
Stock in trade	(4,123,886)	20,952,798
Trade debtors - unsecured	28,952,295	(16,056,641)
Loans and advances	2,687,920	1,086,605
Increase / (Decrease) in current liabilities		
Trade and other payables	6,979,598	1,563,809
	26,316,998	7,546,571
Cash generated from operations	2,271,929	(782,717)
Taxes paid	-	-
Financial charges paid	(9,413)	(9,529)
	(9,413)	(9,529)
Net cash generated from operating activities	2,262,516	(792,246)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of vehicles	-	-
Fixed capital expenditure	-	-
Net cash (used in) investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loans	-	-
Net cash (used in) financing activities	-	-
Increase/(Decrease) in cash and cash equivalent	2,262,516	(792,246)
Cash and cash equivalent at beginning of the period	1,080,906	2,233,385
Cash and cash equivalent at end of the period	3,343,422	1,441,139

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

Chief Executive

Director

NOTES TO THE ACCOUNTS (UN-AUDITED) FOR THE QUARTER ENDED DECEMBER 31,2014

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. 685.938 million (September 2014: Rs.658.358 million) and equity is negative by Rs. 544.938 million (September 2014: Rs. 517.358 million). The increase is due to the net loss of Rs. 27.580 million. Its current liabilities exceed current assets by Rs. 547.245 million (September 2014: Rs.523.191 million).

The status of long term liabilities is the same as given in the annual audited financial statements for the year ended September 30, 2014

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, 2014.

4 CONTINGENCIES

Contingencies are the same as have been reported in the financial statements of the company for the year ended September 30, 2014.

	December 31, 2014 Rupees	December 31, 2013 Rupees
5 COST OF GOODS SOLD		
Raw material consumed (including procurement and development expenses)	4,121,814	-
Chemicals	83,263	-
Oils & Lubricants	1,067,532	-
Stores and spares consumed	7,123,192	-
Packing material consumed	534,441	-
Salaries and allowances	6,022,083	450,654
Repair and maintenance	-	-
Fuel and power	913,929	233,664
Insurance	1,122,981	1,149,397
Freight and handling	501,890	-
Depreciation	3,147,370	3,497,078
Others	-	-
	24,638,495	5,330,793
Opening stock		
Finished stock - Sugar	-	20,952,798
Sugar in process	1,947,496	1,947,496
	1,947,496	22,900,294
	26,585,991	28,231,087
Closing stock		
Finished stock - Sugar	6,071,382	(1,947,496)
	20,514,609	26,283,591

6 AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on January 26, 2015 by the Board of Directors of the Company.

7 GENERAL

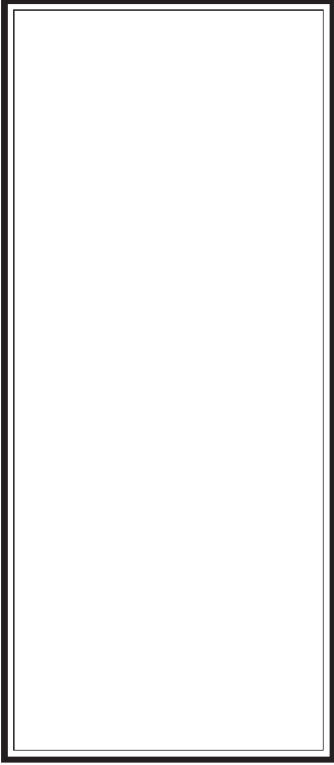
Figures have been rounded off to the nearest rupee.

Chief Executive

Director

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