



M I R Z A

SUGAR

MILLS

LIMITED

**ACCOUNTS FOR THE
1ST QUARTER ENDED
DECEMBER 31, 2015
(UN-AUDITED)**

COMPANY PROFILE

BOARD OF DIRECTORS:

| | |
|-----------------------------|--|
| MS. FARIDA ABBASI | - Chairperson (Non-Executive Director) |
| MR. GHULAM MOHIUDDIN ABBASI | - Chief Executive (Executive Director) |
| DR. ZULFIQAR ALI MIRZA | - Non-Executive Director |
| MR. ARSHAD ABID ABBASI | - Non-Executive Director |
| MS. FAREHA ABID KAZI | - Non-Executive Director |
| MIRZA SAULAT RAZA | - Non Executive/Independent Director |
| MR. IRSHAD HUSSAIN MIRZA | - Non-Executive Director |

AUDIT COMMITTEE:

| | |
|------------------------|---|
| MIRZA SAULAT RAZA | - Chairman (Non Executive/Independent Director) |
| MS. FARIDA ABBASI | - Member (Non-Executive Director) |
| DR. ZULFIQAR ALI MIRZA | - Member (Non-Executive Director) |

HR & R COMMITTEE:

| | |
|-----------------------------|--|
| MS. FARIDA ABBASI | - Chairperson (Non-Executive Director) |
| MR. GHULAM MOHIUDDIN ABBASI | - Member (CEO & Executive Director) |
| MIRZA SAULAT RAZA | - Member (Non Executive/ Independent Director) |

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:

MIRZA SUGAR MILLS SITE,
LOWARI SHARIF, BENAZIRABAD,
TALUKA KADHAN, DISTRICT BADIN, SINDH.

KARACHI 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 ended December 31, 2015.

General

Normally, during the quarter ending December 31, mills maintenance and preparation works are carried out to ensure crushing operation during the season; and crushing activity during this quarter is limited to a couple of days only.

The Government of Sindh has fixed the sugarcane support price at Rs.172/- per 40 kg. Sugar price has improved and the prevailing sugar price in the market is better than the last year. If the increasing trend of sugar price continues and sugarcane is available at the Government fixed price, we hope that the performance of the company will be better during the current season as compared to previous seasons.

Operational Activities

The mill has started crushing on December 25, 2015 and crushed 51,412 maunds of sugarcane till December 31, 2015 compared to 26,062 maunds crushed during corresponding period last year .

Financial Results

During the quarter under review, the Company suffered a gross loss of Rs.26.158 million compared to a gross loss of Rs. 20.515 million booked during the first quarter of last year. A net loss of Rs. 34.917 million was booked during the quarter under review compared to a net loss of Rs. 27.580 million sustained during the corresponding quarter last year.

Karachi,
January 21, 2016

GHULAM MOHIUDDIN ABBASI
Chief Executive

**BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2015**

| | | Un-audited December 31, 2015 | Audited September 30, 2015 |
|---|--------|------------------------------------|----------------------------------|
| | Rupees | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | Note 5 | | |
| Property, plant and equipment | | 127,479,466 | 130,657,217 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 30,180,657 | 23,893,484 |
| Stock-in-trade | | 16,754,605 | 24,206,058 |
| Trade debts | | 7,006,325 | 27,515,452 |
| Prepayments, loan and advances | | 8,804,944 | 10,995,874 |
| Cash and bank balances | | 4,346,167 | 1,607,412 |
| | | 67,092,698 | 88,218,280 |
| TOTAL ASSETS | | 194,572,164 | 218,875,497 |
| 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 | | (775,405,053) | (740,487,864) |
| | | (634,405,053) | (599,487,864) |
| NON-CURRENT LIABILITIES | | | |
| Long-term finances | | 16,788,482 | 16,788,482 |
| Deferred liabilities | | 117,991,714 | 117,991,714 |
| CURRENT LIABILITIES | | | |
| Current portion of long-term finances | | 342,487,991 | 342,487,991 |
| Trade and other payables | | 311,995,261 | 301,381,410 |
| Accrued markup on finances | | 18,991,931 | 18,991,927 |
| Provision for taxation | | 20,721,838 | 20,721,838 |
| | | 694,197,021 | 683,583,166 |
| TOTAL EQUITY AND LIABILITIES | | 194,572,164 | 218,875,497 |
| 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, 2015**

| | | December 31, 2015 | December 31, 2014 |
|--------------------------------|---|----------------------------|----------------------------|
| Note | | Rupees | |
| Sales - net | | 18,009,630 | - |
| Cost of sales | 6 | <u>(44,167,312)</u> | <u>(20,514,609)</u> |
| Gross Loss | | (26,157,682) | (20,514,609) |
| Operating expenses | | | |
| Administrative and general | | 8,618,883 | 6,962,289 |
| Selling and distribution | | 89,375 | 93,715 |
| | | <u>(8,708,258)</u> | <u>(7,056,004)</u> |
| Operating Loss | | (34,865,940) | (27,570,613) |
| Financial charges | | (51,249) | (9,413) |
| Loss before taxation | | (34,917,189) | (27,580,026) |
| Provision for taxation: | | | |
| Current | | - | - |
| Net Loss after taxation | | <u>(34,917,189)</u> | <u>(27,580,026)</u> |
| Loss per share - basic | | <u>(2.48)</u> | <u>(1.96)</u> |

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

Chief Executive

Director

**STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2015**

| | December 31, 2015 | December 31, 2014 |
|--|----------------------------|----------------------------|
| | _____ Rupees _____ | |
| Loss after taxation | (34,917,189) | (27,580,026) |
| Other comprehensive income | - | - |
| Total comprehensive income for the period transferred to equity | <u><u>(34,917,189)</u></u> | <u><u>(27,580,026)</u></u> |

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

Chief Executive

Director

**STATEMENT OF CHARGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2015**

| | <u>Share Capital Rupees</u> | <u>Accumulated Loss Rupees</u> | <u>Total Rupees</u> |
|---|-------------------------------------|--|-------------------------|
| Balance as at September 30, 2014 | 141,000,000 | (658,358,953) | (517,358,953) |
| Comprehensive loss | - | (27,580,026) | (27,580,026) |
| Balance as at December 31, 2014 | 141,000,000 | (685,938,979) | (544,938,979) |
| Comprehensive loss | - | (54,548,885) | (54,548,885) |
| Balance as at September 30, 2015 | 141,000,000 | (740,487,864) | (599,487,864) |
| Comprehensive loss | - | (34,917,189) | (34,917,189) |
| Balance as at December 31, 2015 | 141,000,000 | (775,405,053) | (634,405,053) |

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, 2015**

| | December 31, 2015 | December 31, 2014 |
|--|----------------------|----------------------|
| | Rupees | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before taxation | (34,917,189) | (27,580,026) |
| Adjustments for : | | |
| Depreciation | 3,177,717 | 3,525,544 |
| (Gain)/Loss on sale of fixed assets | - | - |
| Financial charges | 51,249 | 9,413 |
| | 3,228,966 | 3,534,957 |
| Operating cash in flows/(outflows) before working capital changes | (31,688,223) | (24,045,069) |
| Changes in working capital (increase)/Decrease in current assets | | |
| Stores, spares and loose tools | (6,287,173) | (8,178,929) |
| Stock in trade | 7,451,453 | (4,123,886) |
| Trade debtors - unsecured | 20,509,127 | 28,952,295 |
| Loans and advances | 2,190,930 | 2,687,920 |
| Increase / (Decrease) in current liabilities | | |
| Trade and other payables | 10,613,891 | 6,979,598 |
| | 34,478,228 | 26,316,998 |
| Cash generated from operations | 2,790,004 | 2,271,929 |
| Taxes paid | - | - |
| Financial charges paid | (51,249) | (9,413) |
| | (51,249) | (9,413) |
| Net cash generated from operating activities | 2,738,755 | 2,262,516 |
| 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 | 2,738,755 | 2,262,516 |
| Cash and cash equivalent at beginning of the period | 1,607,412 | 1,080,906 |
| Cash and cash equivalent at end of the period | 4,346,167 | 3,343,422 |

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 31,2015**

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 the balance sheet date amounted to Rs. 775.405 million (September 2015: Rs.740.487 million) and equity is negative by Rs. 634.405 million (September 2015: Rs. 599.487 million). The increase is due to the net loss of Rs. 34.917 million during the period under review. Its current liabilities exceed its current assets by Rs. 627.104 million (September 2015: Rs.595.364 million).

The status of long term liabilities is the same as given in the annual audited financial statements for the year ended September 30, 2015.

After Completion of the mill maintenance and preparation works, the mill has started crushing on December 25, 2015 in the current crushing season. In view of the improvement in sugar price in the market, it is expected that the Company's performance will be better than the last season, provided that the increasing trend in sugar price continues and cane is available at the Government fixed price.

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, 2015.

4 CONTINGENCIES

Contingencies are the same as have been reported in the financial statements of the company for the year ended September 30, 2015

| | December 31, 2015 Rupees | December 31, 2014 Rupees |
|--|--------------------------------|--------------------------------|
| 5 COST OF GOODS SOLD | | |
| Raw material consumed (including procurement and development expenses) | 8,932,525 | 4,121,814 |
| Chemicals | 134,067 | 83,263 |
| Oils & Lubricants | 705,052 | 1,067,532 |
| Stores and spares consumed | 13,336,460 | 7,123,192 |
| Packing material consumed | - | 534,441 |
| Salaries and allowances | 8,281,833 | 6,022,083 |
| Repair and maintenance | - | - |
| Fuel and power | 1,921,733 | 913,929 |
| Insurance | - | 1,122,981 |
| Freight and handling | 535,180 | 501,890 |
| Depreciation | 2,869,009 | 3,147,370 |
| Others | - | - |
| | 36,715,859 | 24,638,495 |
| Opening stock | | |
| Finished stock - Sugar | 19,239,556 | - |
| Sugar in process | 4,966,502 | 1,947,496 |
| | 24,206,058 | 1,947,496 |
| | 60,921,917 | 26,585,991 |
| Closing stock | | |
| Finished stock - Sugar | 1,273,852 | 6,071,382 |
| Sugar in Process | 15,480,753 | - |
| | (16,754,605) | (6,071,382) |
| | 44,167,312 | 20,514,609 |

6 AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on January 21, 2016 by the Board of Directors of the Company.

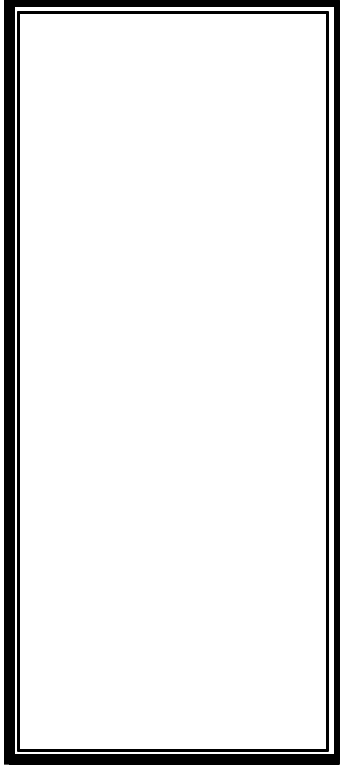
7 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Printed Matter



If undelivered please return to :

MIRZA SUGAR MILLS LIMITED

Karachi Office:

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

Registered Office:

Mirza Sugar, Mills Site, Lowari Sharif, Benazirabad,
Taluka Kadhan, District Badin, Sindh.