



M I R Z A

SUGAR

MILLS

LIMITED

**ACCOUNTS FOR THE
3RD QUARTER ENDED
JUNE 30, 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

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 unaudited accounts and brief review of company's activities for the period ending June 30, 2012.

The mills operations for the Season 2011-12 came to an end on March 04, 2012. During the quarter under report, the machinery and parts requiring manufacturing and repairs were sent to the vendors to do the needful. Routine maintenance and in-house repairs were also undertaken during the quarter under report. Thereafter, the labour went on vacation.

Local market price of sugar remained depressed during the quarter to Rs.49-Rs.50/kg compared to Rs. 61 to Rs. 62/kg during the same period last year. World market price, too, remained low at around \$ 540 to \$ 550 per ton compared to \$ 750 per ton last year. Prime reason for prevailing low market price, locally as well as globally is the surplus stocks available in the market.

Operating Results

The operating results for the Season 2011-12 are given below :

<u>Particulars</u>	<u>Season 2011-2012</u>	<u>Season 2010-2011</u>
Season started	27-12-2011	26-11-2010
Season closed	04-03-2012	28-03-2011
Days worked	69	123
Sugarcane crushing (Tons)	162,690	244,767
" " (Maunds)	4,067,257	6,119,180
Sugar recovery (%)	9.87	9.850
Sugar production (Tons)	16,050	24,095
Molasses recovery (%)	4.95	4.854
Molasses production (Tons)	8,042	11,876

Except for the marginal improvement in the recovery achieved, performance of the company during the quarter under review were unsatisfactory due to reasons of poor cane supplies to the mills because of adverse impact of rains/floods in District Badin and adjoining areas and low market prices of sugar.

Financial Results

The Company booked a net profit of Rs.199.177 million at the close of the period under report compared to a net profit of Rs. 47.049 million during the corresponding period last year due to recognition of deferred liability of Rs.285.821 million as other income on full and final payment to HBL against Forced Demand Finance and Agri Finance as per agreed terms.

Future Prospects

In the zone of MSML, cane acreage during 2012-13 is estimated at 10,000 acres, which is 20% less than last year. Therefore, cane supplies during coming season may remain impaired.

MIRZA SAULAT RAZA
Director

IRSHAD HUSSAIN MIRZA
Director

July 19, 2012

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

**BALANCE SHEET (UN-AUDITED)
AS AT JUNE 30, 2012**

	Notes	Unaudited June 30, 2012	Audited September 30, 2011
ASSETS		Rupees	
NON - CURRENT ASSETS			
PROPERTY, PLANT & EQUIPMENT	5	180,714,908	194,570,041
CURRENT ASSETS			
Stores, spares and loose tools		27,013,853	28,486,958
Stock in trade		179,104,685	140,826,612
Trade debts		-	36,010,130
Loans and Advances		20,395,852	64,309,370
Cash and bank balances		1,685,378	14,195,373
		228,199,768	283,828,443
		408,914,676	478,398,484
SHARE CAPITAL			
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		(420,031,857)	(619,208,871)
		(279,031,857)	(478,208,871)
NON-CURRENT LIABILITIES			
LONG TERM LOANS		16,788,482	16,788,482
DEFERRED LIABILITES		100,877,138	386,698,201
CURRENT LIABILITIES			
Current portion of long term finances		342,145,614	359,692,308
Trade and other payables		201,081,651	143,128,407
Accrued mark up		18,991,931	18,991,927
Taxation - net		8,061,717	31,308,029
		570,280,913	553,120,671
CONTINGENCIES AND COMMITMENTS			
		-	-
		408,914,676	478,398,484

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

The Chief Executive Officer presently being out of station, the condensed interim financial statements have been signed by two directors to comply with the requirements of section 241 of the Companies Ordinance, 1984.

Director

Director

**PROFIT AND LOSS ACCOUNT
(UN-AUDITED) FOR THE QUARTER
ENDED JUNE 30, 2012**

Notes	Quarter ended		Nine Month ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	Rupees			
Sales - net	56,900,678	187,837,009	687,341,500	1,295,887,818
Cost of sales	65,545,709	193,444,851	721,234,091	1,181,923,357
Gross profit/(loss)	(8,645,031)	(5,607,842)	(33,892,591)	113,964,461
Operating expenses				
Administrative expenses	10,957,281	11,539,896	46,050,047	42,635,281
Distribution costs	22,969	67,733	905,568	1,189,434
	(10,980,251)	(11,607,629)	(46,955,616)	(43,824,715)
Operating profit/(loss)	(19,625,281)	(17,215,471)	(80,848,206)	70,139,746
Finance costs	(141,848)	(983,274)	(2,371,759)	(5,684,060)
Other (charges) / income	285,826,183	1,255,714	285,833,687	(4,447,442)
	285,684,335	272,440	283,461,928	(10,131,502)
Net profit/(loss) before taxation	266,059,053	(16,943,031)	202,613,721	60,008,244
Taxation - current	7,643,801	(1,878,370)	(3,436,708)	(12,958,878)
Net profit/(loss) after taxation	273,702,854	(18,821,401)	199,177,014	47,049,366
Earnings/(loss) per share basic	19.41	(1.33)	14.13	3.34
Earning/(loss) per share excluding the income recognised as a result of reversal of deferred liabilities	(0.86)	(1.33)	(6.14)	3.34

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

Director

Director

**STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED) FOR THE QUARTER
ENDED JUNE 30, 2012**

	<u>Share Capital Rupees</u>	<u>Accumulated Loss Rupees</u>	<u>Total Rupees</u>
Balance as at September 30, 2010 (Audited)	141,000,000	(637,961,903)	(496,961,903)
Comprehensive income for the period	-	47,049,366	47,049,366
Cash dividend paid to minority share holders @ 10% for the year 2010	-	(5,859,830)	(5,859,830)
Balance as at June 30, 2011 (Unaudited)	<u>141,000,000</u>	<u>(596,772,367)</u>	<u>(455,772,367)</u>
Balance as at July 01, 2011	141,000,000	(596,772,367)	(455,772,367)
Comprehensive loss for the period	-	(22,436,504)	(22,436,504)
Balance as at September 30, 2011 (Audited)	<u>141,000,000</u>	<u>(619,208,871)</u>	<u>(478,208,871)</u>
Balance as at October 01, 2011	141,000,000	(619,208,871)	(478,208,871)
Comprehensive income for the period	-	199,177,014	199,177,014
Balance as at June 30, 2012 (Unaudited)	<u>141,000,000</u>	<u>(420,031,857)</u>	<u>(279,031,857)</u>

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

Director

Director

CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED JUNE 30, 2012

	June 30, 2012 Rupees	June 30, 2011 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	202,613,721	60,008,244
Adjustments for :		
Depreciation	14,942,031	15,759,565
Deferred income recognised	(285,821,063)	-
Gain on sale of fixed assets	(7,504)	-
Financial charges	2,371,759	5,684,060
	(268,514,777)	21,443,625
Operating cash inflows/(outflows) before working capital changes	(65,901,055)	81,451,869
Changes in working capital		
(Increase)/Decrease in current assets		
Stores, spares and loose tools	1,473,105	(1,966,565)
Stock in trade	(38,278,073)	(206,722,086)
Trade debtors - unsecured	36,010,130	11,306,320
Loans and advances	20,444,026	1,749,262
Increase / (Decrease) in current liabilities		
Trade And Other Payables	57,769,226	152,401,845
	77,418,413	(43,231,224)
Cash generated from operations	11,517,358	38,220,645
Taxes paid	(3,213,527)	(8,809,397)
Financial charges paid	(1,782,646)	(5,249,639)
	(4,996,173)	(14,059,036)
Net cash generated from operating activities	6,521,185	24,161,609
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,162,294)	(7,802,500)
Proceeds from disposal of fixed assets	82,900	-
Net cash (used in) investing activities	(1,079,394)	(7,802,500)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loans	(17,951,785)	(16,385,408)
Cash Dividend Payment	-	(5,859,830)
Net cash (used in) financing activities	(17,951,785)	(22,245,238)
Increase/(Decrease) in cash and cash equivalent	(12,509,995)	(5,886,129)
Cash and cash equivalent at beginning of the period	14,195,373	18,275,800
Cash and cash equivalent at end of the period	1,685,378	12,389,671

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

Director

Director

NOTES TO THE ACCOUNTS (UN-AUDITED) FOR THE QUARTER ENDED JUNE 30, 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 earned a net profit after taxation for the period amounting to Rs. 199.177 million compared to a net profit of Rs. 47.049 million during corresponding period last year; as on the balance sheet date its accumulated loss stood at Rs. 420.031 million (September 2011: Rs. 619.209 million). Company's current liabilities exceeded current assets by Rs. 342.081 million (September 2011: Rs. 269.293 million) and total liabilities exceeded total assets by Rs. 279.031 million (September 2011: Rs. 478.209 million).

The company has succeeded in keeping the mill operational, during the current crushing season through its own resources. The company has paid full and final payment to HBL and recognised Rs. 285.821 million as other income which improved its negative equity and reduced accumulated losses.

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, 2011.

4 CONTINGENCIES

Contingencies are the same as have been reported in the reviewed financial statements of the company for the half year ended March 31, 2012.

	June 30 2012	September 30 2011
	-----Rupees-----	
5 PROPERTY, PLANT & EQUIPMENT		
Opening WDV	194,570,041	206,455,303
Addition to Property Plant and Equipment during the period		
Furniture and Fixture	165,570	-
Office equipment	926,724	7,752,000
Plant and machinery	-	-
Vehicles	70,000	7,810,500
Disposal in Property, Plant and Equipment		
Vehicles	(75,396)	-
Impairment loss	-	(6,000,000)
Depreciation for the period	(14,942,031)	(21,447,762)
Closing WDV	180,714,908	194,570,041

Quarter ended		Nine Month ended	
June 30 2012 Rupees	June 30 2011 Rupees	June 30 2012 Rupees	June 30 2011 Rupees

6 COST OF GOODS SOLD

Raw material consumed (including procurement and development expenses)	160,725	142,890	656,424,050	1,281,136,308
Chemicals	-	60,820	7,663,637	7,880,166
Oil & Lubricants	500,881	1,297,491	2,773,398	3,708,162
Stores and spares consumed	626,332	2,710,945	25,128,493	25,021,261
Packing material consumed	-	-	6,586,199	8,868,330
Salaries and allowances	7,774,598	7,678,556	33,716,635	33,745,666
Repair and maintenance	30,520	91,031	1,202,403	1,280,521
Fuel and power	888,665	1,016,090	5,209,759	5,421,017
Insurance	1,257,058	1,091,200	3,771,174	3,273,600
Freight and handling	245,260	144,747	1,683,472	1,632,065
Depreciation	4,282,220	4,896,111	12,846,655	14,508,527
Others	23,800	46,499	2,506,289	2,169,818
	15,790,058	19,176,380	759,512,164	1,388,645,442
Opening stock				
Finished stock	227,007,132	427,099,862	138,967,362	76,675,587
Sugar in process	1,853,204	1,859,250	1,859,250	973,919
Molasses	-	29,680,950	-	-
	228,860,336	458,640,062	140,826,612	77,649,506
	244,650,394	477,816,442	900,338,776	1,466,294,948
Closing stock				
Finished stock	177,251,481	282,512,341	177,251,481	282,512,341
Sugar in process	1,853,204	1,859,250	1,853,204	1,859,250
	(179,104,685)	(284,371,591)	(179,104,685)	(284,371,591)
	65,545,709	193,444,851	721,234,091	1,181,923,357

7 AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on July 19, 2012 by the Board of Directors of the Company.

8 GENERAL

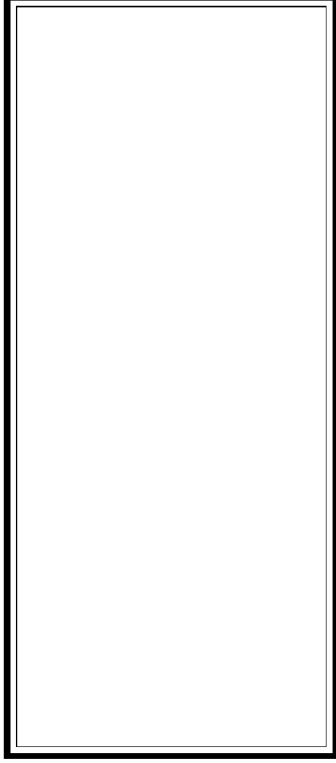
Figures have been rounded off to the nearest rupee.

Director

Director

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