



**M I R Z A**  
**SUGAR**  
**MILLS**  
**LIMITED**

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

Directors are pleased to present the un-audited accounts and brief review of company's activities for the quarter ended June 30, 2014.

### **General**

Due to non-availability of working capital finance, proper maintenance of the mills could not be done during Crushing Season 2013-14. The management, however, with its limited resources completed the maintenance works to start crushing during the season. But during trial run it was found that the 5000 KVA Turbine Generator was not working. As the generator could not become operational in time during the season, the mill could not operate during Crushing Season 2013-14. The matter has been discussed in detail in the Directors' Report for the Half Year ended March 31, 2014.

### **Operating Results**

As the mill did not operate during Crushing Season 2013-14, there is no operational activity during the period ended June 30, 2014.

### **Financial Results**

The Company booked a net loss of Rs. 7.930 million during the quarter under report and Rs.27.889 million during the nine month period, compared to a net loss of Rs.22.467 million and Rs.102.023 million respectively during the corresponding periods last year.

### **Future Prospects**

The management will do every thing possible to operate the mill during Crushing Season 2014-15 including arrangement with growers for supply of cane to our mills. We will try again for obtaining working capital finance from financial institutions and are quite hopeful that we will get the financing.

July 17, 2014

**GHULAM MOHIUDDIN ABBASI**  
Chairman & Chief Executive

**BALANCE SHEET (UN- AUDITED)  
AS AT JUNE 30, 2014**

|  | Notes | Unaudited<br>June 30,<br>2014 | Audited<br>September 30,<br>2013 |
|--|-------|-------------------------------|----------------------------------|
|  |       | Rupees                        |                                  |
| <b>ASSETS</b>  |       |                               |                                  |
| <b>NON - CURRENT ASSETS</b>                                      |       |                               |                                  |
| <b>PROPERTY, PLANT &amp; EQUIPMENT</b>                           | 5     | 147,265,603                   | 159,149,292                      |
| <b>CURRENT ASSETS</b>  |       |                               |                                  |
| Stores, spares and loose tools                                   |       | 24,534,334                    | 24,534,334                       |
| Stock in trade   |       | 1,947,496                     | 22,900,294                       |
| Trade debts  |       | 38,715,253                    | 26,259,168                       |
| Prepayments, loans and advances                                  |       | 8,076,625                     | 9,079,600                        |
| Cash and bank balances   |       | 1,090,065                     | 2,233,385                        |
|  |       | <u>74,363,774</u>             | <u>85,006,781</u>                |
|  |       | <u>221,629,377</u>            | <u>244,156,073</u>               |
| <b>SHARE CAPITAL</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<br>fully paid in cash |       | 141,000,000                   | 141,000,000                      |
| Accumulated losses   |       | (649,905,209)                 | (622,016,257)                    |
|  |       | <u>(508,905,209)</u>          | <u>(481,016,257)</u>             |
| <b>NON-CURRENT LIABILITIES</b>                                   |       |                               |                                  |
| LONG TERM LOANS  |       | 16,788,482                    | 16,788,482                       |
| DEFERRED LIABILITES  |       | 121,348,870                   | 121,920,553                      |
| <b>CURRENT LIABILITIES</b>                                       |       |                               |                                  |
| Current portion of long term finances                            |       | 342,487,991                   | 342,487,992                      |
| Trade and other payables   |       | 210,112,384                   | 204,178,450                      |
| Accrued mark up  |       | 18,991,932                    | 18,991,927                       |
| Taxation - net   |       | 20,804,927                    | 20,804,927                       |
|  |       | <u>592,397,234</u>            | <u>586,463,296</u>               |
| <b>CONTINGENCIES AND COMMITMENTS</b>                             |       |                               |                                  |
|  |       | -                             | -                                |
|  |       | <u>221,629,378</u>            | <u>244,156,074</u>               |

The annexed notes from 1 to 8 form an integral part of these condensed interim financial information.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

**PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDEND JUNE 30, 2014**

|   | Notes | Quarter ended      |                     | Nine Month ended    |                      |
|---|-------|--------------------|---------------------|---------------------|----------------------|
|   |       | JUNE 30,<br>2014   | JUNE 30,<br>2013    | JUNE 30,<br>2014    | JUNE 30,<br>2013     |
|   |       | Rupees             |                     |                     |                      |
| Sales - net                             |       | -                  | 17,517,851          | <b>20,963,202</b>   | 191,304,488          |
| Cost of sales                           | 6     | <b>4,955,751</b>   | 31,412,031          | <b>35,900,691</b>   | 256,808,602          |
| <b>Gross Loss</b>                       |       | <b>(4,955,751)</b> | (13,894,180)        | <b>(14,937,489)</b> | (65,504,114)         |
| <b>Operating expenses</b>               |       |                    |                     |                     |                      |
| Administrative expenses                 |       | <b>2,969,215</b>   | 8,536,448           | <b>12,927,817</b>   | 37,046,897           |
| Distribution costs                      |       | -                  | 19,226              | <b>8,629</b>        | 441,463              |
|   |       | <b>(2,969,215)</b> | (8,555,674)         | <b>(12,936,446)</b> | (37,488,360)         |
| <b>Operating Loss</b>                   |       | <b>(7,924,966)</b> | <b>(22,449,854)</b> | <b>(27,873,935)</b> | (102,992,474)        |
| Finance costs                           |       | <b>(5,594)</b>     | (16,759)            | <b>(586,701)</b>    | (965,168)            |
| Other (charges) / income                |       | -                  | -                   | -                   | 2,107,933            |
|   |       | <b>(5,594)</b>     | (16,759)            | <b>(586,701)</b>    | 1,142,765            |
| <b>Net Loss before taxation</b>         |       | <b>(7,930,560)</b> | <b>(22,466,613)</b> | <b>(28,460,636)</b> | (101,849,709)        |
| Taxation - current                      |       | -                  | -                   | -                   | -                    |
| Taxation - defferred                    |       | -                  | -                   | 571,683             | (173,289)            |
| <b>Net Loss after taxation</b>          |       | <b>(7,930,560)</b> | <b>(22,466,613)</b> | <b>(27,888,953)</b> | <b>(102,022,998)</b> |
| Earnings per share -<br>basic & diluted |       | <b>(0.56)</b>      | (1.59)              | <b>(1.98)</b>       | (7.24)               |

The annexed notes from 1 to 8 form an integral part of these condensed interim financial information.

\_\_\_\_\_  
**Chief Executive**

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

**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER ENDED JUNE 30, 2014**

|   | For the quarter ended |                     | For the nine month  |                      |
|---|-----------------------|---------------------|---------------------|----------------------|
|   | June 30,2014          | June 30,2013        | June 30,2014        | June 30,2013         |
|   | <u>Rupees</u>         |                     |                     |                      |
| Loss for the period   | (7,930,560)           | (22,466,613)        | (27,888,953)        | (102,022,998)        |
| Other comprehensive income for the period                       | -                     | -                   | -                   | -                    |
| Total comprehensive income for the period transferred to equity | <u>(7,930,560)</u>    | <u>(22,466,613)</u> | <u>(27,888,953)</u> | <u>(102,022,998)</u> |

The annexed notes from 1 to 8 form an integral part of these condensed interim financial information.

\_\_\_\_\_  
**Chief Executive**

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

**STATEMENT OF CHANGES IN EQUITY (UN- AUDITED)  
FOR THE QUARTER ENDED JUNE 30 , 2014**

|  | <b>Share<br/>Capital<br/><u>Rupees</u></b> | <b>Accumulated<br/>Loss<br/><u>Rupees</u></b> | <b>Total<br/><u>Rupees</u></b> |
|--|--|---|--------------------------------|
| <b>Balance as at September 30, 2012</b>          | 141,000,000                                | (500,335,753)                                 | (359,335,753)                  |
| Comprehensive income for the period              | -  | (79,556,385)                                  | (79,556,385)                   |
| <b>Balance as at JUNE 30, 2013</b>               | <b><u>141,000,000</u></b>                  | <b><u>(579,892,138)</u></b>                   | <b><u>(438,892,138)</u></b>    |
| <b>Balance as at July 01,, 2013</b>              | <b>141,000,000</b>                         | <b>(579,892,138)</b>                          | <b>(438,892,138)</b>           |
| Comprehensive loss for the period                | -  | (42,124,118)                                  | (42,124,118)                   |
| <b>Balance as at September 30, 2013(Audited)</b> | <b><u>141,000,000</u></b>                  | <b><u>(622,016,256)</u></b>                   | <b><u>(481,016,256)</u></b>    |
| <b>Balance as at October 01, 2013</b>            | <b>141,000,000</b>                         | <b>(622,016,256)</b>                          | <b>(481,016,256)</b>           |
| Comprehensive income for the period              | -  | (27,888,953)                                  | (27,888,953)                   |
| <b>Balance as at June 30, 2014</b>               | <b><u>141,000,000</u></b>                  | <b><u>(649,905,209)</u></b>                   | <b><u>(508,905,209)</u></b>    |

The annexed notes from 1 to 8 form an integral part of these condensed interim financial information.

\_\_\_\_\_  
**Chief Executive**

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

**CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED JUNE 30 , 2014**

|   | <b>JUNE 30,<br/>2014<br/>Rupees</b> | <b>JUNE 30,<br/>2013<br/>Rupees</b> |
|---|-------------------------------------|-------------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                              |                                     |                                     |
| Profit/(Loss) before taxation   | (27,888,953)                        | (101,849,709)                       |
| <b>Adjustments for :</b>  |                                     |                                     |
| Depreciation  | 11,883,688                          | 13,369,038                          |
| Financial charges   | 586,701                             | 965,168                             |
| Gain on sale of vehicles  | -                                   | (7,500)                             |
|   | 12,470,389                          | 14,326,706                          |
| <b>Operating cash inflows/(outflows) before working capital changes</b> | <b>(15,418,564)</b>                 | <b>(87,523,003)</b>                 |
| <b>Changes in working capital (Increase)/Decrease in current assets</b> |                                     |                                     |
| Stores, spares and loose tools  | -                                   | 1,838,551                           |
| Stock in trade  | 20,952,798                          | 41,563,897                          |
| Trade debtors - unsecured   | (12,456,085)                        | 19,715,006                          |
| Loans and advances  | 1,002,976                           | 5,781,975                           |
| <b>Increase / (Decrease) in current liabilities</b>                     |                                     |                                     |
| Trade and other payables  | 5,933,940                           | 20,920,830                          |
|   | 15,433,629                          | 89,820,259                          |
| <b>Cash generated from operations</b>                                   | <b>15,065</b>                       | <b>2,297,256</b>                    |
| Taxes paid  | (571,683)                           | (840,014)                           |
| Financial charges paid  | (586,701)                           | (965,168)                           |
|   | (1,158,384)                         | (1,805,182)                         |
| <b>Net cash generated from operating activities</b>                     | <b>(1,143,319)</b>                  | <b>492,074</b>                      |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                              |                                     |                                     |
| Fixed capital expenditure   | -                                   | (1,327,500)                         |
| Proceeds from sale of vehicles  | -                                   | 85,958                              |
| <b>Net cash (used in) investing activities</b>                          | <b>-</b>                            | <b>(1,241,542)</b>                  |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                              |                                     |                                     |
| Repayment of long term loans  | -                                   | -                                   |
| Dividend Payment  | -                                   | -                                   |
| <b>Net cash (used in) financing activities</b>                          | <b>-</b>                            | <b>-</b>                            |
| <b>Increase/(Decrease) in cash and cash equivalent</b>                  | <b>(1,143,319)</b>                  | <b>(749,468)</b>                    |
| <b>Cash and cash equivalent at beginning of the period</b>              | <b>2,233,385</b>                    | <b>2,315,570</b>                    |
| <b>Cash and cash equivalent at end of the period</b>                    | <b>1,090,066</b>                    | <b>1,566,102</b>                    |

The annexed notes from 1 to 8 form an integral part of these condensed interim financial information.

\_\_\_\_\_  
**Chief Executive**

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



## NOTES TO THE ACCOUNTS (UN-AUDITED) FOR THE QUARTER ENDED JUNE 30,2014

### 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 suffered a net loss after taxation for the period amounting to Rs. 27.889 million compared to Rs. 102.023 million corresponding period last year.; as on the balance sheet date its accumulated loss stood at Rs. 649.905 million (September 2013: Rs. 622.016 million). Company's current liabilities exceeded current assets by Rs. 518.033 million (September 2013 501.456 million) and total liabilities exceeded total assets by Rs. 508.905 million (September 2013: Rs. 481.016 million).

The status of the company remains the same as disclosed in the half yearly report.

The management expects to commence operation next season as market is expected to improve, and hope to arrange working capital finance through customers advance against sugar and other sources as well as to management settlement of growers' liability. 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, 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.

|  | June<br>30, 2014<br>Rupees | September<br>30, 2013<br>Rupees |
|--|----------------------------|---------------------------------|
| <b>5 PROPERTY, PLANT &amp; EQUIPMENT</b>                             |                            |                                 |
| <b>Operating WDV</b>   | <b>159,149,292</b>         | 175,726,018                     |
| <b>Addition to Property, Plant &amp; Equipment during the period</b> |                            |                                 |
| Plant & Machinery  | -                          | 1,260,000                       |
| Office equipment   | -                          | -                               |
| Furniture & Fixture  | -                          | -                               |
| Vehcile  | -                          | 67,500                          |
| <b>Disposal in Property, Plant &amp; Equipment during the period</b> |                            |                                 |
| Vehcile  | -                          | (78,459)                        |
| Depreciation for the period  | <b>(11,883,688)</b>        | (17,825,767)                    |
|  | <b>147,265,604</b>         | <b>159,149,292</b>              |

| Quarter ended              |                            | Nine Month ended           |                            |
|----------------------------|----------------------------|----------------------------|----------------------------|
| JUNE 30,<br>2014<br>Rupees | JUNE 30,<br>2013<br>Rupees | JUNE 30,<br>2014<br>Rupees | JUNE 30,<br>2013<br>Rupees |

## 6 COST OF GOODS SOLD

|  |                  |                     |                    |                     |
|--|------------------|---------------------|--------------------|---------------------|
| Raw material consumed<br>(including procurement and<br>development expenses) | -                | 158,850             | 45,000             | 155,088,353         |
| Chemicals  | -                | -                   | -                  | 2,355,672           |
| Oil & Lubricants   | -                | -                   | -                  | 1,114,634           |
| Stores and spares consumed   | -                | 709                 | -                  | 9,275,327           |
| Packing material consumed  | -                | -                   | -                  | 1,409,785           |
| Salaries and allowances  | 171,114          | 3,585,282           | 622,199            | 23,573,211          |
| Repair and maintenance   | -                | -                   | -                  | 648,307             |
| Fuel and power   | 174,757          | 448,033             | 408,421            | 5,107,681           |
| Insurance  | 1,112,802        | 155,005             | 3,381,039          | 2,738,006           |
| Freight and handling   | -                | 5,500               | -                  | 618,294             |
| Depreciation   | 3,497,078        | 3,885,497           | 10,491,234         | 11,651,239          |
| Others   | -                | -                   | -                  | 1,664,196           |
|  | <b>4,955,751</b> | <b>8,238,876</b>    | <b>14,947,893</b>  | <b>215,244,705</b>  |
| <b>Opening stock</b>   |                  |                     |                    |                     |
| Finished stock   | -                | 66,871,463          | 20,952,798         | 85,337,759          |
| Sugar in process   | -                | 1,947,454           | 1,947,496          | 1,871,901           |
|  |                  | <b>68,818,917</b>   | <b>22,900,294</b>  | <b>87,209,660</b>   |
|  | <b>4,955,751</b> | <b>77,057,793</b>   | <b>37,848,187</b>  | <b>302,454,365</b>  |
| <b>Closing stock</b>   |                  |                     |                    |                     |
| Finished stock   | -                | (43,698,267)        | 1,947,496          | (43,698,267)        |
| Sugar in process   | -                | (1,947,496)         | -                  | (1,947,496)         |
|  |                  | <b>(45,645,763)</b> | <b>(1,947,496)</b> | <b>(45,645,763)</b> |
|  | <b>4,955,751</b> | <b>31,412,030</b>   | <b>35,900,691</b>  | <b>256,808,602</b>  |

## 7 AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on July 17, 2014 by the Board of Directors of the company.

## 8 GENERAL

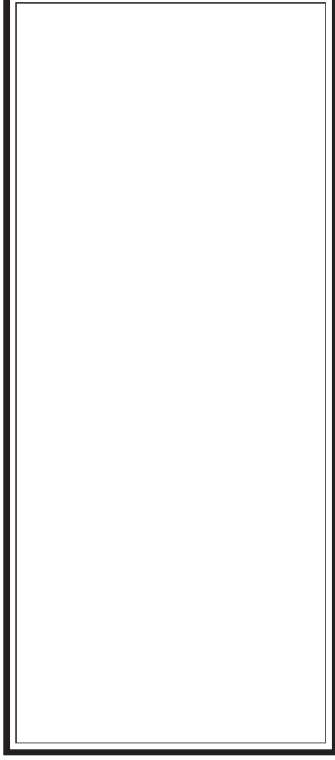
Figures have been rounded off to the nearest rupee.

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director



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