



M I R Z A

SUGAR

MILLS

LIMITED

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

LOWARI SHARIF, BENAZIRABAD,
TALUKA KADHAN,
DISTRICT BADIN,
SINDH.

E.MAIL :

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, 2015.

General

During the period under review generally there is no production activity; the mill is closed, labour and factory staff are on vacation, only limited inhouse maintenance work is carried out.

The management with its own resources made the mills operational during the Season 2014-15 and was very careful in procurement of sugarcane with a view to keep the cane-cost as minimum as possible, which resulted in a limited crushing of only 2.6 million maunds of cane and production of only 9,694 tons of sugar during the season due to the factors beyond our control, which have been discussed in detail in our last half yearly report.

Operating Results

The operating results for the Season 2014-15 are given below (the mill did not operate during previous Season 2013-14) :

<u>Particulars</u>	<u>Season 2014-2015</u>	<u>Season 2013-2014</u>
Season started	28-12-2014	-
Season closed	11-03-2015	-
Days worked	74	-
Sugarcane crushing (Tons)	105,563	-
“ “ (Maunds)	2,639,082	-
Sugar recovery (%)	9.25	-
Sugar production (Tons)	9,694	-
Molasses recovery (%)	5.30	-
Molasses production (Tons)	5,571	-

Financial Results

The Company booked a net loss of Rs. 17.245 million during the quarter under report and Rs.59.369 million during the nine month period, compared to a net loss of Rs.7.930 million and Rs.27.889 million respectively during the corresponding periods last year.

Future Prospects

As per report the sugarcane crop position in the area is better and it is expected that cane availability during next season will be better than the Season 2014-15. Thus it is expected that our mill will be able to crush more sugarcane and produce a reasonable quantity of sugar during next season. Sugar price is also expected to improve next year.

July 23, 2015

GHULAM MOHIUDDIN ABBASI
Chief Executive

**BALANCE SHEET (UN- AUDITED)
AS AT JUNE 30, 2015**

	Notes	Unaudited June 30, 2015	Audited September 30, 2014
		Rupees	
ASSETS			
NON - CURRENT ASSETS			
PROPERTY, PLANT & EQUIPMENT	5	134,222,087	143,304,375
CURRENT ASSETS			
Stores, spares and loose tools		24,307,881	24,534,334
Stock in trade		32,551,983	1,947,496
Trade debts		40,829,132	37,329,920
Prepayments, loans and advances		16,392,506	8,735,366
Cash and bank balances		25,508,013	1,080,906
		139,589,515	73,628,022
		273,811,602	216,932,397
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 Share of Rs.10/-each fully paid in cash		141,000,000	141,000,000
Accumulated losses		(717,728,076)	(658,358,953)
		(576,728,076)	(517,358,953)
NON-CURRENT LIABILITIES			
LONG TERM LOANS		16,788,482	16,788,482
DEFERRED LIABILITES		119,128,878	120,683,373
CURRENT LIABILITIES			
Current portion of long term finances		342,487,991	342,487,991
Trade and other payables		332,420,546	214,243,518
Accrued mark up		18,991,927	18,991,927
Taxation - net		20,721,852	21,096,059
		714,622,317	596,819,495
CONTINGENCIES AND COMMITMENTS			
		-	-
		273,811,602	216,932,397

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, 2015**

Notes	Quarter ended		Nine Month end	
	JUNE 30, 2015	JUNE 30, 2014	JUNE 30, 2015	JUNE 30, 2014
Rupees				
Sales - net	28,991,111	-	438,476,386	20,963,292
Cost of sales	(40,399,731)	(4,955,751)	(473,273,989)	(35,900,691)
Gross Loss	(11,408,620)	(4,955,751)	(34,797,603)	(14,937,399)
Operating expenses				
Administrative expenses	(5,780,266)	(2,969,215)	(24,661,894)	(12,927,817)
Distribution costs	-	-	(787,608)	(8,629)
	(5,780,266)	(2,969,215)	(25,449,502)	(12,936,446)
Operating Loss	(17,188,886)	(7,924,966)	(60,247,105)	(27,873,845)
Finance costs	(55,907)	(5,594)	(676,511)	(586,701)
Other (charges) / income	-	-	-	-
	(55,907)	(5,594)	(676,511)	(586,701)
Net Loss before taxation	(17,244,793)	(7,930,560)	(60,923,616)	(28,460,546)
Taxation - current	-	-	-	-
Taxation - defferred	-	-	1,554,493	571,683
Net Loss after taxation	(17,244,793)	(7,930,560)	(59,369,123)	(27,888,863)
Earning/(Loss) per share - basic & diluted	(1.22)	(0.56)	(4.21)	(1.98)

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, 2015**

	Share Capital <u>Rupees</u>	Accumulated Loss <u>Rupees</u>	Total <u>Rupees</u>
Balance as at September 30, 2013	141,000,000	(622,016,257)	(481,016,257)
Comprehensive income for the period	-	(27,888,953)	(27,888,953)
Balance as at June 30, 2014	141,000,000	(649,905,210)	(508,905,210)
Balance as at July 01,, 2014	141,000,000	(649,905,210)	(508,905,210)
Comprehensive loss for the period	-	(8,453,743)	(8,453,743)
Balance as at September 30, 2014(Audited)	141,000,000	(658,358,953)	(517,358,953)
Balance as at October 01, 2014	141,000,000	(658,358,953)	(517,358,953)
Comprehensive income for the period	-	(59,369,123)	(59,369,123)
Balance as at June 30, 2015	141,000,000	(717,728,076)	(576,728,076)

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, 2015**

	JUNE 30, 2015 Rupees	JUNE 30, 2014 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(60,923,616)	(27,888,953)
Adjustments for :		
Depreciation	10,655,286	11,883,688
Financial charges	676,511	586,701
Gain on sale of vehicles	-	-
	11,331,797	12,470,389
Operating cash inflows/(outflows) before working capital changes	(49,591,819)	(15,418,564)
Changes in working capital (Increase)/Decrease in current assets		
Stores, spares and loose tools	226,453	-
Stock in trade	(30,604,487)	20,952,798
Trade debtors - unsecured	(3,499,212)	(12,456,085)
Loans and advances	(7,657,140)	1,002,976
Increase / (Decrease) in current liabilities		
Trade and other payables	118,177,028	5,933,940
	76,642,642	15,433,629
Cash generated from operations	27,050,824	15,065
Taxes paid	(374,207)	(571,683)
Financial charges paid	(676,510)	(586,701)
	(1,050,717)	(1,158,384)
Net cash generated from operating activities	26,000,107	(1,143,319)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,573,000)	-
Proceeds from sale of vehicles	-	-
Net cash (used in) investing activities	(1,573,000)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loans	-	-
Dividend Payment	-	-
Net cash (used in) financing activities	-	-
Increase/(Decrease) in cash and cash equivalent	24,427,107	(1,143,319)
Cash and cash equivalent at beginning of the period	1,080,906	2,233,385
Cash and cash equivalent at end of the period	25,508,013	1,090,066

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 30,2015

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 suffered a net loss after taxation for the period amounting to Rs. 59.369 million compared to Rs. 27.888 million for the corresponding period last year.; as on the balance sheet date its accumulated loss stood at Rs. 717.728 million (September 2014: Rs. 658.358 million). Company's current liabilities exceeded current assets by Rs. 575.032 million (September 2014 Rs. 523.191 million) and total liabilities exceeded total assets by Rs. 576.728 million (September 2014: Rs. 517.358 million).

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

The management with its own resources made the mills operational during the Season 2014-15 and was very careful in procurement of sugarcane which resulted in a limited crushing of only 2.6 million maunds of cane and production of only 9,694 tons of sugar during the season due to the factors beyond our control, which have been discussed in detail in our last half yearly report.

Sugarcane crop position is reported to have been better in the area and it is expected that cane availability during next season will be comparatively better. Thus it is expected that our mill will be able to crush more sugarcane and produce a reasonable quantity of sugar during next season. Sugar price is also expected to improve next year.

The Company shall arrange working capital finance through customers' advance against sale of sugar and will also explore other sources to meet the requirement of production next year.

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, 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.

	June 30, 2015 Rupees	September 30, 2014 Rupees
5 PROPERTY, PLANT & EQUIPMENT		
Operating WDV	143,304,375	159,149,292
Addition to Property, Plant & Equipment during the period		
Plant & Machinery	1,573,000	-
Office equipment	-	-
Furniture & Fixture	-	-
Vehicle	-	-
Disposal in Property, Plant & Equipment during the period		
Vehicle	-	-
Depreciation for the period	(10,655,288)	(15,844,917)
	134,222,087	143,304,375

Quarter ended		Nine Month ended	
JUNE 30, 2015 Rupees	JUNE 30, 2014 Rupees	JUNE 30, 2015 Rupees	JUNE 30, 2014 Rupees

6 COST OF GOODS SOLD

Raw material consumed (including procurement and development expenses)	-	-	424,015,831	45,000
Chemicals	1,338	-	5,232,306	-
Oil & Lubricants	64,958	-	3,083,304	-
Stores and spares consumed	1,332,254	-	18,681,759	-
Packing material consumed	20,451	-	5,097,669	-
Salaries and allowances	4,959,284	171,114	26,147,875	622,199
Repair and maintenance	-	-	-	-
Fuel and power	636,073	174,757	5,417,992	408,421
Insurance	1,115,646	1,112,802	3,337,278	3,381,039
Freight and handling	91,920	-	3,343,702	-
Depreciation	3,186,695	3,497,078	9,520,760	10,491,234
Others	-	-	-	-
	11,408,619	4,955,751	503,878,476	14,947,893
Opening stock				
Finished stock	-	-	-	20,952,798
Sugar in process	1,947,496	-	1,947,496	1,947,496
	1,947,496	-	1,947,496	22,900,294
	13,356,115	4,955,751	505,825,972	37,848,187
Closing stock				
Finished stock	(28,991,112)	-	27,585,481	1,947,496
Sugar in process	1,947,496	(1,947,496)	4,966,502	-
	27,043,616	(1,947,496)	(32,551,983)	(1,947,496)
	40,399,731	3,008,255	473,273,989	35,900,691

7 AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on July 23, 2015 by the Board of Directors of the company.

8 GENERAL

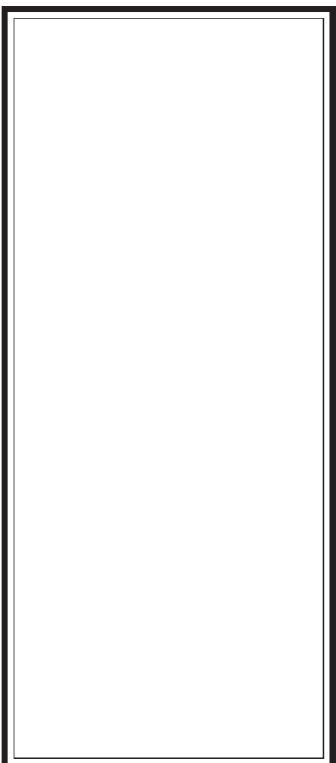
Figures have been rounded off to the nearest rupee.

Chief Executive

Director

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Printed Matter



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MIRZA SUGAR MILLS LIMITED

Karachi Office:

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

Registered Office:

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