



M I R Z A

SUGAR

MILLS

LIMITED

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED
MARCH 31, 2013
(REVIEWED)**

COMPANY PROFILE

BOARD OF DIRECTORS:

DR. (MRS). FEHMIDA MIRZA Chairperson & 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. 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 :

Directors are pleased to present the half yearly accounts of the company duly reviewed by the auditors along with a brief resume of company's activities during the period ended March 31, 2013.

General

Boilers were lighted on November 29, 2012. As we reported in our earlier report, Government of Sindh enhanced support price of cane from Rs.154/40 kg to Rs.174/40 kg for the Season 2012-13. The enhancement of sugarcane price was a mismatch considering the already depressed market prices of sugar. We intentionally delayed the crushing operations in hope that cane-harvesting will pick up. MSML started crushing season on January 04, 2013. But due to extremely poor availability of sugarcane, cane-arrival at mill was very discouraging. We could crush only 35,000 tons of cane and produce 3,263 tons of sugar during the season. Sucrose recovery achieved was only 9.23%. This was the worst case scenario in the history of MSML. Due to non-availability of cane, we had to close the operations on February 16, 2013 to avoid further losses.

On overall basis, performance of MSML during Season 2012-13 was unsatisfactory due primarily to exogenous factors like high cane-cost (and also poor recovery) and depressed market price of sugar.

Operating Results

The operating results upto March 31, 2013 and for full season are given below for purpose of comparison:

<u>Particulars</u>	<u>Season 2012-2013 Full Season & March 31, 2013</u>	<u>Season 2011-2012 Full Season & March 31, 2012</u>
Season started	04-01-2013	27-12-2011
Season closed	16-02-2013	04-03-2012
Days worked	44	69
Sugarcane crushing (Tons)	35,301	162,690
“ “ (Maunds)	882,519	4,067,257
Sugar recovery (%)	9.23	9.87
Sugar production (Tons)	3,263	16,050
Molasses recovery (%)	4.67	4.95
Molasses production (Tons)	1,654	8,042

Financial Results

Accounts duly reviewed by the auditors show a gross loss of Rs.51.61 million during the period under review compared to a gross loss of Rs.25.25 million during the corresponding period last year. Net loss booked during half-year stood at Rs.79.56 million compared to a net loss of Rs.69.75 million during half year last season. Losses incurred are attributable to non-availability of cane, higher cane-cost and low price of sugar in the market adversely affecting cash-flow of the Company.

Auditors' Review Report

The Auditors have qualified their Review Report for the half year ended March 31, 2013. Their concern is addressed as under to mitigate the matter and its impact:

Auditors' Observations about Going Concern

The going concern assumption has been used for preparing financial statements due to the following mitigating factors as briefly referred to in Note No. 1.2 :

Non-settlement of NIB and IDBP dues

Except for NIB and IDBP dues, which are pending in the courts of law, the company successfully negotiated terms of settlement with banks/financial institutions and kept on repaying their dues. The total outstanding dues of banks/financial institutions have already been paid in full as disclosed in the financial statements of the respective years.

Negotiations are underway with NIB Bank Limited and we expect to reach a settlement with them in due course of time for repayment of their dues. The repayment will start as soon as the settlement is reached. The position of IDBP is the same as disclosed in Note 9.2 of Company's Annual Report for the year ended September 30, 2012. However, we are also in contact with them to reach an amicable settlement.

Non-payment of growers liabilities

It is to be noted that out of the total growers' liability of Rs. 154.4 million, an amount of Rs. 9.7 million only pertains to the Season 2012-13 and the rest relates to previous years. We shall pay off the dues of Season 2012-13 in full by arranging funds and negotiations will be made with growers for payment of the previous dues in installments. Growers dues for 2012-13 have been fully paid out as per Sindh Government notified price. Balance dues pertain to incentives/subsidies.

The non-payment of growers' liabilities is attributable to various factors. Sugarcane crop, especially in district Badin where our mill is situated, was badly damaged due to heavy rains and floods during 2010-11. Stagnant waters in the field deteriorated the sucrose contents of the sugarcane. Resultantly, there was acute shortage particularly in our zone area and the cane-cost was also enhanced tremendously. Sugar price in the market did not even match with our cost of production. Damages were also caused to our mill premises due to the aforesaid rains and floods.

On account of all these factors the company incurred losses and its cash flow position was badly affected. Consequently, growers' (incentives/subsidies portion only) have remained outstanding which will be soon cleared.

Future Plan

It is reported that sugarcane availability will be better during next season and it is hoped that sugarcane will be available at workable price. The company foresees positive cash flows in future from increased operations.

The management also expects to arrange working capital finance for the next season through advance against sugar and other sources according to the requirements of targeted crushing/production.

Among other measures, it is also under consideration whether revaluation of company's fixed assets would be feasible to improve the equity and ratios and will help absorb the depreciation.

The management also intends to finance its zone growers for cultivating improved varieties of sugarcane which are rich in sucrose recovery comparatively than traditional varieties.

Future Prospects

Future prospects are not bright enough. When the results of final cane surveys been available, firm forecast can be made. We are in process of reviewing the entire situation and every effort is being made to revive the financial position of the Company.

MIRZA SAULAT RAZA
Director

IRSHAD HUSSAIN MIRZA
Director

May 23, 2013

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

AUDITORS' REPORT TO MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Mirza Sugar Mills Limited** ("the Company") as at **March 31, 2013** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement for the half year then ended together with the notes forming part thereof (herein-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of the interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on the interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

1. The financial statements of the company reflect a gross loss of Rs. 51.609 million for the period ended March 31, 2013 (March 31, 2012: gross loss of Rs. 25.247 million), its accumulated loss amounted to Rs.579.892 million (September 30, 2012: Rs.500.335 million) and the equity is negative by Rs.438.892 million (September 30, 2012: Rs.359.335 million) as a result of net loss of Rs.79.556 million for the current period. Its current liabilities exceed its current assets by Rs. 469.583 million (September 30, 2012:Rs. 397.846 million). Its long term loan of Rs.342 million (September 2012: Rs.342 million) is outstanding since long and for which NIB Bank Limited and Industrial Development Bank of Pakistan have filed recovery suits in the year 2003 and 2002 respectively against the company. The company has overdue liability payable to growers of Rs. 154.9 million at the period end (September 2012: 146.2 million).

These conditions indicate the existence of significant uncertainties which may cast doubt on ability of the company to continue as going concern and to realize its assets and to discharge its liabilities in due course of time. The financial information (and notes thereto) do not disclose this fact.

Other matter

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended March 31, 2013 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended March 31, 2013.

Conclusion

Our review indicates that except for the matter stated in basis for qualified opinion paragraph, nothing has come to our attention that may cause us to believe that the accompanying condensed interim financial information as at March 31, 2013 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan.

Dated: May 23, 2013
Karachi.

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner: Muhammad Rafiq Dosani

**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2013**

	Notes	Unaudited March 31, 2013	Audited September 30, 2012
		Rupees	
ASSETS			
NON - CURRENT ASSETS			
Property Plant and Equipment	5	168,079,505	175,726,018
CURRENT ASSETS			
Stores, spares and loose tools		24,515,535	26,372,886
Stock in trade	6	68,818,918	87,209,660
Trade debts		2,225,148	26,951,149
Prepayments, loans and advances		14,169,594	19,550,550
Cash and bank balances		2,311,684	2,315,569
		<u>112,040,879</u>	<u>162,399,814</u>
		<u>280,120,384</u>	<u>338,125,832</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
AUTHORIZED CAPITAL			
15,000,000 Ordinary shares of Rs. 10/- each		<u>150,000,000</u>	150,000,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
14,100,000 (September 2012:14,100,000) Ordinary shares of Rs. 10/-each fully paid in cash		141,000,000	141,000,000
Accumulated losses		(579,892,138)	(500,335,753)
		(438,892,138)	(359,335,753)
NON-CURRENT LIABILITIES			
Long term finance		16,788,482	16,788,482
Deferred liabilities		120,600,006	120,426,718
CURRENT LIABILITIES			
Current portion of long term finances		342,487,992	342,487,992
Trade and other payables		199,048,066	176,830,407
Accrued mark up		18,991,931	18,991,927
Provision for taxation		21,096,045	21,936,059
		<u>581,624,034</u>	560,246,385
CONTINGENCIES AND COMMITMENTS	7	-	-
		<u>280,120,384</u>	<u>338,125,832</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

Director

Director

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.

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(UN-AUDITED) FOR THE HALF YEAR AND QUARTER
ENDED MARCH 31, 2013**

Notes	Half year ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Rupees				
Sales - net	173,786,637	630,440,822	133,402,285	549,580,127
Cost of sales	(225,396,571)	(655,688,382)	(163,675,110)	(502,288,951)
Gross (loss) / profit	(51,609,934)	(25,247,560)	(30,272,825)	47,291,176
Operating expenses				
Administrative expenses	28,510,449	35,092,766	13,275,880	18,877,675
Distribution costs	422,237	882,599	407,042	855,540
	(28,932,686)	(35,975,365)	(13,682,922)	(19,733,215)
Operating (loss) / profit	(80,542,621)	(61,222,925)	(43,955,748)	27,557,961
Finance costs	(948,409)	(2,229,911)	(915,949)	(1,808,286)
Other (charges) / income	2,107,933	7,504	2,100,433	1,708
	1,159,524	(2,222,407)	1,184,484	(1,806,578)
Net (loss) / profit before taxation	(79,383,097)	(63,445,332)	(42,771,264)	25,751,383
Taxation - Current	-	(6,304,408)	-	(5,495,801)
- Deferred	(173,288)	-	(173,288)	-
	(173,288)	(6,304,408)	(173,288)	(5,495,801)
Net (loss) / profit after taxation	(79,556,385)	(69,749,740)	(42,944,552)	20,255,582
Earnings per share - basic & diluted	(5.64)	(4.95)	(3.05)	1.44

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

Director

Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED) FOR THE HALF YEAR AND QUARTER
ENDED MARCH 31, 2013**

	Half year ended		Quarter ended	
	March 31,	March 31,	March 31,	March 31,
	2013	2012	2013	2012
	-----Rupees-----			
Profit / (loss) for the period	(79,556,385)	(69,749,740)	(42,944,552)	20,255,582
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period transferred to equity	<u>(79,556,385)</u>	<u>(69,749,740)</u>	<u>(42,944,552)</u>	<u>20,255,582</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

Director

Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED MARCH 31, 2013**

	Share Capital	Accumulated Losses Rupees	Total
Balance as at September 30, 2011	141,000,000	(619,208,870)	(478,208,870)
Comprehensive loss for half year (Unaudited)	-	(69,749,740)	(69,749,740)
Balance as at March 31, 2012	<u>141,000,000</u>	<u>(688,958,610)</u>	<u>(547,958,610)</u>
Balance as at April 01, 2012	141,000,000	(688,958,610)	(547,958,610)
Comprehensive income for half year (Unaudited)	-	188,622,857	188,622,857
Balance as at September 30, 2012	<u>141,000,000</u>	<u>(500,335,753)</u>	<u>(359,335,753)</u>
Balance as at October 01, 2012	141,000,000	(500,335,753)	(359,335,753)
Comprehensive loss for half year (Unaudited)	-	(79,556,385)	(79,556,385)
Balance as at March 31, 2013	<u>141,000,000</u>	<u>(579,892,138)</u>	<u>(438,892,138)</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

Director

Director

**CONDENSED INTERIM CASH FLOW STATEMENT
(UN-AUDITED) FOR THE HALF YEAR
ENDED MARCH 31, 2013**

	March 31, 2013	March 31, 2012
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(79,383,097)	(63,445,332)
Adjustments for :		
Depreciation	8,914,513	9,958,807
Financial charges	948,409	2,229,911
Gain on sale of vehicles	(7,500)	(7,504)
	9,855,422	12,181,214
Operating loss before working capital changes	(69,527,675)	(51,264,118)
Changes in working capital (Increase) / Decrease in current assets		
Stores, spares and loose tools	1,857,352	1,048,649
Stock in trade	18,390,743	(88,033,724)
Trade debtors - unsecured	24,726,000	35,763,493
Loans and advances	5,380,959	20,223,940
Increase in current liabilities		
Trade and other payables	22,217,659	89,135,541
	72,572,713	58,137,899
Cash generated from operations	3,045,038	6,873,781
Taxes paid	(840,014)	(2,550,778)
Financial charges paid	(948,409)	(891,652)
	(1,788,423)	(3,442,430)
Net cash generated from operating activities	1,256,615	3,431,351
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,327,500)	(1,162,294)
Proceeds from sale of vehicles	67,000	82,900
Net cash used in investing activities	(1,260,500)	(1,079,394)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loans	-	(12,544,934)
Net cash used in financing activities	-	(12,544,934)
Net Increase / (Decrease) in cash and cash equivalent during the period	(3,885)	(10,192,977)
Cash and cash equivalents at beginning of the period	2,315,570	14,195,373
Cash and cash equivalents at end of the period	2,311,684	4,002,396

The annexed notes from 1 to 13 form an integral part of these condensed interim financial information.

Director

Director

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2013

1 THE COMPANY AND ITS OPERATIONS

- 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 financial statements of the company reflect a gross loss of Rs. 51.609 million for the period ended March 31, 2013 (March 31, 2012: gross loss of Rs. 25.247 million), its accumulated loss amounted to Rs. 579.892 million (September 30, 2012: Rs. 500.335 million) and the equity is negative by Rs. 438.892 million (September 30, 2012: Rs. 359.335 million) as a result of net loss of Rs. 79.556 million for the current period. Its current liabilities exceed its current assets by Rs. 469.583 million (September 30, 2012: Rs. 397.846 million). Its long term loan is outstanding by Rs. 342 million (September 2012: Rs. 342 million) and is in respect of NIB Bank Limited and Industrial Development Bank of Pakistan for which recovery suits have been filed in the year 2003 and 2002 respectively against the company. The company has overdue liability payable to growers of Rs. 154.9 million at the period end (September 2012: Rs. 146.2 million). The production capacity of the company remained at level of 5.6% (2012: 26%) of installed capacity due to non availability of sugar cane because of floods and other reasons in the respective areas.

The management of the company is actively pursuing the above matters and expects to reach a negotiated settlement with the NIB Bank Limited in due course of time. The company foresees positive cash flows in future from operations in expectation of better availability of sugar cane in the following season and a workable price of the sugar cane. The management expects to arrange and meet its working capital finance for next season through advance against sugar and other sources according to the requirements of production.

In view of above the financial statements are prepared on going concern basis.

2 STATEMENT OF COMPLIANCE

- 2.1** The condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and the requirements of Section 245 of the Companies Ordinance 1984. The condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Companies Annual Financial Statements for the year ended September 30, 2012. The figures for the half year ended March 31, 2013 have been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.
- 2.2** This condensed interim financial information comprises of the condensed interim balance sheet as at March 31, 2013 and the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and the condensed interim cash flow statement for the half year then ended which have been subjected to a review but not audited. This condensed interim financial information also includes the condensed interim profit and loss account for the quarter ended March 31, 2013 which is not subjected to a review.
- 2.3** The comparative condensed balance sheet, presented in this condensed interim financial information, as at September 30, 2012 has been extracted from the annual audited financial statements of the Company for the year ended September 30, 2012 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement for the half year ended March 31, 2012 have been extracted from the condensed interim financial information for the half year ended March 31, 2012 which were subjected to a review but not audited. The comparative condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended March 31, 2012 included in this condensed interim financial report was not subjected to a review.

3 SIGNIFICANT ACCOUNTING POLICIES

These financial information have been prepared using the same accounting convention, basis of preparation and significant accounting policies as those applied in the preparation of the audited financial statements for the year ended September 30, 2012.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended September 30, 2012.

5 PROPERTY, PLANT & EQUIPMENT

Note	March 31,2013	September 30,2012
	Rupees	
Opening WDV	175,726,018	194,570,041
Addition to Property Plant and Equipment during the period		
Furniture and Fixture	1,260,000	-
Office equipment	-	926,724
Plant and machinery	-	165,570
Vehicles	67,500	70,000
Disposal in Property, Plant and Equipment		
Vehicles	(59,500)	(78,144)
Impairment loss	-	-
Depreciation for the period	(8,914,513)	(19,928,173)
Closing WDV	<u>168,079,505</u>	<u>175,726,018</u>

6. STOCK IN TRADE

The finished stock is valued at net realizable value of Rs. 46.871 million. The cost of finished stock is Rs. 79.346 million and the difference of Rs. 12.474 million is taken to the cost of sales.

7 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

Contingencies are the same as have been reported in the financial statements of the company for the year ended September 30, 2012.

COMMITMENTS

During the period company has unlifted delivery orders quantity of 415 M. Ton amounting to Rs.19,055,900/- (September 30, 2012 : 1,098 M. Ton amounting to Rs. 53.4 million).

8 COST OF SALES

	Half year ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	Rupees			
Raw material consumed (including procurement and development expenses)	154,929,503	656,263,325	154,767,703	624,493,266
Chemicals	2,355,672	7,663,637	2,270,073	7,118,965
Oil & Lubricants	1,114,634	2,272,517	751,570	1,482,354
Stores and spares consumed	9,274,618	24,502,161	4,326,116	14,644,111
Packing material consumed	1,409,785	6,586,199	1,409,785	6,484,943
Salaries and allowances	19,987,929	25,942,037	11,922,614	17,185,985
Repair and maintenance	648,307	1,171,883	441,930	467,629
Fuel and power	4,659,648	4,321,094	3,188,484	2,140,782
Insurance	2,583,001	2,514,116	1,301,175	1,257,058
Freight and handling	612,794	1,438,212	170,534	536,721
Depreciation	7,765,742	8,564,436	3,885,496	4,282,218
Others	1,664,196	2,482,489	1,664,196	2,153,988
	<u>207,005,828</u>	<u>743,722,106</u>	<u>186,099,675</u>	<u>682,248,020</u>
Opening stock				
Finished stock	85,337,759	138,967,362	46,394,352	48,901,267
Sugar in process	1,871,901	1,859,250	-	-
	<u>87,209,660</u>	<u>140,826,612</u>	<u>46,394,352</u>	<u>48,901,267</u>
	<u>294,215,488</u>	<u>884,548,718</u>	<u>232,494,027</u>	<u>731,149,287</u>
Closing stock				
Finished stock	66,871,463	227,007,132	66,871,463	227,007,132
Sugar in process	1,947,454	1,853,204	1,947,454	1,853,204
	<u>(68,818,917)</u>	<u>(228,860,336)</u>	<u>(68,818,917)</u>	<u>(228,860,336)</u>
	<u>225,396,571</u>	<u>655,688,382</u>	<u>163,675,110</u>	<u>502,288,951</u>

9 LOSS FOR THE HALF YEAR

The Company achieved sales of 3,675 metric tons during this half year compared to sales of 13,309.3 metric tons achieved in the same period last year. The average price per metric ton of white refined sugar has declined by 2% as compared to corresponding period. The sugarcane prices have increased by 8 % as compared to the corresponding period last year. Moreover harvesting of crop was severely affected in current period due to flood in the previous years as a result of which production has declined by 78% as compared to corresponding period which lead to major portion of fixed cost of production remained unabsorbed. These factors contributed mainly to the loss in this period.

	Half year ended	
	March 31, 2013	March 31, 2012
	Rupees	
10 RELATED PARTY TRANSACTIONS		
Significant transactions with the related parties during the half year ended are as follows:		
Contribution to Workers' profit participation fund	637,123	184,022
Contribution to Provident fund trust	280,178	235,805
Chief executive and directors' remuneration	2,344,500	2,251,500
Balances with related parties at the end of the period are as follows:		
Payable to Workers' profit participation fund	8,888,381	2,630,951
Payable to Provident fund trust	758,139	2,068
Loan from related party	16,788,482	16,788,482

11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

Financial risk management objectives and policies used to meet these objectives were same as being followed as at September 30, 2012.

12 AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized by the Board of Directors of the Company for issue on May 23, 2013.

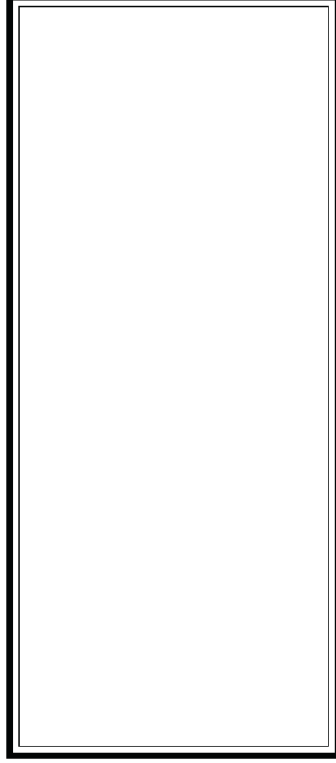
13 GENERAL

Figures have been rounded off to the nearest rupee.

Director

Director

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