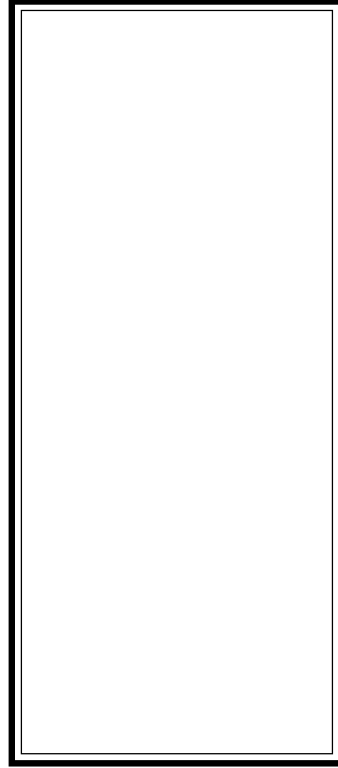


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**ACCOUNTS FOR THE
3RD QUARTER ENDED
JUNE 30, 2009
(UN-AUDITED)**

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED JUNE 30, 2009**

	<u>Share Capital Rupees</u>	<u>Accumulated Profit/(Loss) Rupees</u>	<u>Total Rupees</u>
Balance as at September 30, 2007	141,000,000	(970,967,942)	(829,967,942)
Loss for the period	-	(20,177,102)	(20,177,102)
Balance as at June 30, 2008	<u>141,000,000</u>	<u>(991,145,044)</u>	<u>(850,145,044)</u>
Profit for the period	-	53,573,112	53,573,112
Balance as at September 30, 2008	<u>141,000,000</u>	<u>(937,571,932)</u>	<u>(796,571,932)</u>
Profit for the period	-	195,250,222	195,250,222
Balance as at June 30, 2009	<u><u>141,000,000</u></u>	<u><u>(742,321,710)</u></u>	<u><u>(601,321,710)</u></u>

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

DIRECTOR

AS AT JUNE 30, 2009

	<u>Note</u>	<u>Unaudited June 30, 2009 Rupees</u>	<u>Audited September 30, 2008 Rupees</u>
PROPERTY, PLANT AND EQUIPMENT CAPITAL WORK IN PROGRESS	5	204,629,310 5,974,714 <u>210,604,024</u>	221,119,546 - <u>221,119,546</u>
LONG TERM DEPOSITS		1,426,886	1,426,886
CURRENT ASSETS			
Stores, spares and loose tools		13,081,747	12,094,745
Stock in trade		112,777,333	44,856,317
Trade debtors-unsecured		15,624,646	1,591,577
Loans and advances		31,801,356	26,067,918
Deposits, prepayments and other receivables		1,026,108	309,886
Cash and bank balances		838,792	1,336,551
		<u>175,144,982</u>	<u>86,256,995</u>
		<u><u>387,175,892</u></u>	<u><u>308,803,427</u></u>

DIRECTOR

DIRECTOR

**PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED JUNE 30, 2009**

Note	Nine months ended		Quarter ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
	Rupees			
Sales-Net	587,339,517	590,591,831	138,322,432	157,255,303
Cost of goods sold 6	480,890,622	566,689,073	125,314,577	146,634,484
Gross profit/(loss)	106,448,895	23,902,758	13,007,855	10,620,819
Operating expenses				
Administrative and general	37,225,020	27,035,483	7,891,125	7,995,672
Selling & distribution	792,234	1,157,084	72,020	682,885
	(38,017,254)	(28,192,567)	(7,963,145)	(8,678,557)
Operating profit/(loss)	68,431,641	(4,289,809)	5,044,710	1,942,262
Finance cost	(1,167,624)	(13,690,341)	(87,846)	(4,375,359)
Other income	127,986,205	3,048	751	3,048
	126,818,581	(13,687,293)	(87,095)	(4,372,311)
Profit/(loss) before taxation	195,250,222	(17,977,102)	4,957,615	(2,430,049)
Provision for taxation:				
Current	-	(2,200,000)	-	-
Profit/(loss) after taxation	195,250,222	(20,177,102)	4,957,615	(2,430,049)
Accumulated loss brought forward	(937,571,932)	(970,967,942)	(747,279,325)	(988,714,995)
Accumulated loss carried forward	(742,321,710)	(991,145,044)	(742,321,710)	(991,145,044)
Earning/(loss) per share-basic & diluted	13.85	(1.43)	0.35	(0.17)
Earning/(loss) per share excluding the income recognized as a result of reversal of long term liabilities basic & diluted	5.24	(1.27)	0.35	(0.17)

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

DIRECTOR

DIRECTOR

**CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED JUNE 30, 2009**

	June 30, 2009 Rupees	June 30, 2008 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	195,250,222	(17,977,102)
Adjustment for:		
Depreciation	16,174,368	17,386,575
Deferred income	(90,814,000)	-
Reversal of long term loans	(30,510,183)	-
Provision of stores & spares	2,460,453	-
Loans & advances written off	6,165,720	-
Reversal of unclaimed liabilities	(6,550,318)	-
Financial charges	1,167,624	13,690,341
Gain on sale of fixed assets	(107,631)	-
	(102,013,967)	31,076,916
Operating profit before Working Capital Changes	93,236,255	13,099,814
Changes in working capital		
(Increase) / Decrease in Current Assets		
Stores, spares & loose tools	(3,447,455)	(2,501,732)
Stock in trade	(67,916,017)	(66,263,897)
Trade debtors-unsecured	(14,033,069)	(10,298,998)
Loans & advances	(10,584,522)	1,286,595
Deposits and other receivables	(716,222)	(851,708)
Increase/(Decrease) in Current Liabilities		
Trade and other payables	29,589,494	76,095,085
	(67,107,790)	(2,534,655)
Cash (used)/generated in operations	26,128,465	10,565,159
Taxes paid	(1,314,636)	(3,340,569)
Financial charges paid	(1,167,624)	(1,177,181)
	(2,482,260)	(4,517,750)
Net cash generated from operating activities	23,646,205	6,047,409
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(5,974,714)	(4,560,000)
Proceeds from disposal of fixed assets	423,500	-
Net cash generated/(used) in investing activities	(5,551,214)	(4,560,000)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loans	(18,592,750)	(1,500,000)
Net cash generated/(used in) financing activities	(18,592,750)	(1,500,000)
Increase/(Decrease) in cash and bank balances	(497,759)	(12,591)
Cash & bank balances at beginning of the period	1,336,551	1,671,196
Cash & bank balances at end of the period	838,792	1,658,605

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

DIRECTOR

DIRECTOR

BALANCE SHEET

	Note	Unaudited June 30, 2009 Rupees	Audited September 30, 2008 Rupees
SHARE CAPITAL			
Authorised 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 Loss		(742,321,710)	(937,571,932)
		(601,321,710)	(796,571,932)
NON-CURRENT LIABILITIES			
LONG TERM LOANS			
		179,412,919	261,996,796
DEFERRED LIABILITIES			
		285,821,063	90,814,000
CURRENT LIABILITIES			
Current portion of long term liabilities		268,200,304	520,540,427
Trade and other payables		225,888,106	202,848,930
Accrued mark up on loans		18,991,931	18,991,927
Taxation		10,183,279	10,183,279
		523,263,620	752,564,563
CONTINGENCIES AND COMMITMENT			
	4	-	-
		387,175,892	308,803,427

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

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

Karachi: July 22, 2009

DIRECTOR

SELECTED EXPLANATORY NOTES TO THE ACCOUNTS (UN-AUDITED) FOR THE PERIOD ENDED JUNE 30, 2009

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 balance sheet date amounted to Rs.742.322 million (September 2008: Rs. 937.571million) and equity is negative by Rs. 601.322 million (September 2008: Rs.796.571 million), as decreased by profit for the period amounting to Rs. 195.250 million. Its current liabilities exceed current assets by Rs.348.118 million (September 2008: Rs.666.307 million).

The company's proposal submitted to HBL in respect of settlement of outstanding dues was considered and approved by HBL vide their letter dated May 21, 2009 at a total settlement amount of Rs. 84.944 million. The company has paid Rs. 9.674 million being 10% down payment of settlement amount. The remaining balance will be paid within a period of three years in twelve equal quarterly installments commencing from August 2009. On payment of the agreed amount, this settlement will lead to reversal of liability of Rs. 285.821 million which is presently shown as deferred liability.

The remaining long term loan due to NIB Bank Limited (formerly PICIC) is presently the subject of a suit filed by the bank and a counter suit filed by the company against Bank. Both the suits are connected, pending for evidence in Court and may take a few years in proceedings. The company also plans to approach NIB Bank Limited (formerly PICIC) also for settlement on similar basis as that of HBL.

In view of the above, these financial statements have been prepared by using going concern assumption.

2. BASIS OF PREPARATION

These unaudited financial statement 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, 2008.

4. CONTINGENCIES

The status of contingencies are same as that in annual audited accounts for the year ended September 30, 2008, except to the extent disclosed hereunder:

The matter of quality premium continues to be pending with the Honorable Supreme Court of Pakistan since the year 2004 after it granted leave to defend on the question of issue of quality premium. The Apex court also ordered that no coercive action for recovery of quality premium shall be taken against the mills till the case is decided. The Company purchased sugar cane at market rate, which was higher than minimum support price fixed by the government during the period from 2004-2009 except for 2007-08 and the resultant aggregate extra liability on account of various subsidies born by it amounted to Rs.238,511,276 that absorbed the quality premium for the said years of Rs.154,491,433. It also holds the view that uniform formula being developed by MINFAL for mills and cane growers would be applicable prospectively. In view of above, the company has not recorded any obligation with respect to quality premium.

	June 30, 2009 Rupees	September 30, 2008 Rupees
--	----------------------------	---------------------------------

5. PROPERTY, PLANT & EQUIPMENT

Operating Fixed Assets
Disposal of fixed assets - Vehicle

- Written down value	315,869	-
- Sale proceed	423,500	-
- Gain on disposal	107,631	-

6. COST OF SALES

	Nine months ended		Quarter ended	
	June 30, 2009 Rupees	June 30, 2008 Rupees	June 30, 2009 Rupees	June 30, 2008 Rupees
Raw material consumed (including procurement and development expenses)	473,258,909	550,715,153	15,250	35,213,186
Stores and spares consumed	5,271,040	8,998,603	-	759,125
Packing material consumed	4,539,336	8,460,426	-	661,487
Salaries and allowances	22,530,680	23,608,610	4,775,358	6,573,232
Repair and maintenance	17,013,976	15,442,228	501,355	1,693,145
Fuel and power	3,742,537	3,463,562	583,416	832,321
Insurance	2,764,153	2,644,779	919,965	900,792
Freight and handing	2,781,537	744,604	280,609	139,910
Depreciation	15,418,587	16,615,396	5,139,529	5,406,473
Others	1,485,883	2,259,608	149,899	270,833
	548,806,638	632,952,968	12,365,381	52,450,504
Opening stock				
Finished stock	44,856,317	5,961,782	225,721,529	146,304,439
Sugar in process	-	-	-	8,353,448
Molasses	-	1,245,931	-	12,997,702
	44,856,317	7,207,713	225,721,529	167,655,589
	593,662,955	640,160,681	238,086,910	220,106,093
Closing stock				
Finished stock	112,772,333	73,471,609	112,772,333	73,471,609
Sugar in process	-	-	-	-
Molasses	-	-	-	-
	(112,772,333)	(73,471,609)	(112,772,333)	(73,471,609)
	480,890,622	566,689,072	125,314,577	146,634,484

7. AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on July 22, 2009 by the Board of Directors of the Company.

8. GENERAL

Figures have been rounded off to the nearest rupee.

DIRECTOR

DIRECTOR

DIRECTORS' REPORT

Dear Shareholders :

The Directors are pleased to present the un-audited accounts of the Company for the period ended June 30, 2009 along with brief review of company's affairs.

As we have already reported in half yearly report that Season 2008-09 ended on March 13, 2009 and thereafter labour went on vacation, there was no significant activity during the quarter under review. Repair and maintenance works, however, continued at usual at site as well as with our vendors. Routine maintenance works are still in progress.

Market price of sugar remained stable during the period varying from Rs.41.50 to Rs.42.20 per kg. There are reports that one of two tenders floated by TCP to import 100,000 tons of sugar may be cancelled as price quoted and accepted by TCP was very high i.e. \$ 495 per ton (Ex-Dubai).

Operating Results

The operating results for the Season 2008-09 are given below :

Particulars	Season 2008-2009	Season 2007-2008
Season started	15-12-2008	19-11-2007
Season closed	13-03-2009	14-04-2008
Days worked	89	148
Sugarcane crushing (Tons)	176,738	334,735
" " (Maunds)	4,418,450	8,368,386
Sugar recovery (%)	10.18	9.280
Sugar production (Tons)	18,000	31,090
Molasses recovery (%)	4.638	5.230
Molasses production (Tons)	8,198	17,520

Financial Results

During the quarter ended June 30, 2009 there were no operational activities as the season was closed on 13-03-2009. During the period net profit stood at Rs.195.250 million as against a net loss of Rs.20.177 million during the corresponding period last year.

The un-audited financial statements for the quarter ended June 30, 2009 are appended herewith.

Season 2009-10

Reports are firming up that sugarcane shortage during Season 2009-10 will persist due to poor autumn plantation.

MIRZA SAULAT RAZA
Director

IRSHAD HUSSAIN MIRZA
Director

July 22, 2009

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

COMPANY PROFILE

BOARD OF DIRECTORS:

DR. (MRS). FEHMIDA MIRZA — Chairperson & Chief Executive
MIR GHULAMULLAH TALPUR
MR. ARSHAD ABID ABBASI
MS. FAREHA ABID KAZI
MIR FURQAN ALI TALPUR
MIRZA SAULAT RAZA
MR. IRSHAD HUSSAIN MIRZA

AUDIT COMMITTEE:

MIRZA SAULAT RAZA - Chairman
MIR GHULAMULLAH TALPUR - 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
MCB BANK LIMITED
ALLIED BANK LIMITED
NATIONAL BANK OF PAKISTAN
NIB BANK LTD.

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:

10TH FLOOR, PORTION 'B'
LAKSON SQUARE, BUILDING NO. 1,
SARWAR SHAHEED ROAD,
KARACHI.

MILLS:

DEH CHHARO TAPPO, LOWARI SHARIFF
DISTRICT BADIN, SINDH.

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