

**HAJI MOHAMMAD ISMAIL MILLS  
LIMITED**

**CONDENSED INTERIM FINANCIAL INFORMATION  
(UN-AUDITED)**

**FOR THE FIRST QUATER ENDED SEPTEMBER 30, 2016**

## HAJI MOHAMMAD ISMAIL MILLS LIMITED

### COMPANY INFORMATION

Board of Directors	Mr. Noman Mustafa Zubairi – Chief Executive Mr. Najeeb Mushtaq Vohra – Chairman - Non Executive Mr. Mohammad Sarfraz - Executive Director Mr. Gulzar Siddiq - Independent Mr. Mohammad Sadiq- Non Executive Mr. Mohammad Irfan – Non Executive Mr. Farrukh Shafiq - Non Executive Mr. Amer Zaheer - Non Executive
Audit Committee	Mr. Gulzar Siddiq - Chairman Mr. Mohammad Irfan Mr. Farrukh Shafiq
Human Resource & Remuneration Committee.	Mr. Muhammad Sarfraz Mr. Muhammad Sadiq Mr. Farrukh Shafiq
Chief Financial Officer	Mr. Suhail Ahmed
Company Secretary	Mr. Muhammad Sarfraz
Auditors	Naveed Zafar Ashfaq Jaffery & Co Chartered Accountants 1 <sup>st</sup> floor, Modern House Beamount Road Karachi.
Legal Advisor	Farooq Rashid & Co., Advocates & Corporate Consultants, 403-Commerce Centre, Hasrat Mohani Road, Karachi-74200
Bankers	Habib Bank Limited Askari Bank Limited National Bank of Pakistan
Share Registrar and Transfer Office	Najeeb Consultants (Pvt) Ltd 408-Commerce Centre, Hasrat Mohani Road. Karachi-74200

Registered office

409-Commerce Centre,  
Hasrat Mohani Road,  
Karachi-74200

Phone No.:

92-21-32638521-3

Fax No.:

92-21-32639843

E-mail:

[info@hmiml.com](mailto:info@hmiml.com)

Website

[www.hmiml.com](http://www.hmiml.com)

Business:

Cotton yarn manufacturer and  
Electric Power Generation.

Status of Company

Public listed company ( SSC)

Company Registration No.

K-0007483

National Tax No.

0231147-0

Contact person:

Mr. Muhammad Sarfraz  
Phone:92-21-32638521-3  
E-mail:sarfrazinfo@hotmail.com

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**DIRECTORS' REPORT TO THE MEMBERS OF THE COMPANY**

The directors are pleased to present the un-audited financial statement for the 1st quarter ended 30th September, 2016.

**1. Sales**

There is no sale/purchase or manufacturing activity during the period as compared to the corresponding period sale of Rs. Nil

**2. Gross profit**

The company has no gross profit/(loss) for the period.

**3. Pre-Tax profit**

Company's pretax profit for the reported period is Rs.0.768 million.

**4. Earnings per share**

The earning per share for the period is Rs.0.04

**5. Financial position**

Due to small trading activity, financial position of the company is improving slightly.

**6. Current and future summary and prospects**

Cotton prices in the country are not stable due to cotton crop failure. Textile industry is in crises due to inflation, power shortage, social disruption, mark up rates and adverse government policies. The board is focusing on other business dimensions and is in the process of corporate restructuring. New business objects were not specified in the Memorandum of Association of the company. Addition of new business object clauses has been approved by the members of the company in the EOGM on 23.09.2016. Petition has been filed with Securities & Exchange Commission of Pakistan for approval. Negotiation with banks and prosperous investors for new business plan are in process. After change in object clauses management will be able to execute its future business plan conveniently and advantageously for the revival of the company.

**7. Code of Corporate Governance**

The company has taken necessary steps to comply with the provision of Code of Corporate Governance as incorporated in the regulations of the Pakistan Stock Exchange.

We appreciate the hard work of all the company's staff and the support of its bankers.

For and on behalf of the Board of Directors

Chief Executive  
Karachi: Oct.29, 2016

حاجی محمد اسماعیل ٹرانسمیٹرز  
ڈائریکٹرز رپورٹ برائے حصص یافتگان

آپ کے ڈائریکٹرز فیترقیح شدہ مالی گوشارے برائے بجلی سرمایہ 30 ستمبر 2016 کو پیش کر کے مسرور ہو رہے ہیں۔

۱۔ فروخت:-

کپنی کی خرید و فروخت اور صنعتکاری کی کوئی سرگرمی نہیں ہے اس لئے اس عرصہ میں کوئی خرید و فروخت بھی نہیں کی گئی ہے اور پچھلے سال میں بھی یہ صورتی۔

۲۔ مجموعی منافع:-

اس سرمایہ کے لئے کپنی نے کوئی مجموعی منافع نہیں کمایا۔

۳۔ ٹیکس سے پہلے منافع:-

کپنی نے اس سرمایہ ٹیکس سے پہلے کا 0.768 ملین روپے منافع کمایا ہے۔

۴۔ فی شیئر بنیادی آمدن:-

اس سرمایہ کی فی شیئر بنیادی آمدن صرف 0.04 پیسہ بنتی ہے۔

۵۔ مالی حالت:-

کپنی چونکہ چھوٹے موٹے کاروباری لین دین میں مصروف ہے اس وجہ سے کپنی کی مالی حالت آہستہ آہستہ بہتر ہو رہی ہے۔

۶۔ موجودہ اور مستقبل کی کیفیت:-

کاشن کی فصل کی خرابی کی وجہ سے ملک میں کپاس کے نرخ مستحکم نہیں ہیں۔ ٹیکسٹائل کی صنعت بجران کا شکار ہے جسکی بنیادی وجہ ملک میں افراط زر، بجلی کی قلت، سماجی بے چینی، مارک اپ کا ریٹ اور ناموافق حکومتی پالیسیاں ہیں اس لئے بورڈ آف ڈائریکٹرز نے نئے کاروبار کی طرف توجہ مبذول کی ہے۔ جس میں ڈائریکٹرز کی تبدیلی اور کسی اور کپنی کے ساتھ اشتراک بھی شامل ہے۔

بورڈ نے جو نیا کاروبار تجویز کیا ہے وہ کپنی کے میورنڈم آف ایسوسی ایشن میں شامل نہیں ہے نئے کاروباری اہداف مقاصد کپنی کے حصص یافتگان نے غیر معمولی اجلاس میں 23-09-2016 کو منظور کر لئے ہیں۔ اس سلسلے میں ایک پیشین سیکورٹی ایڈوائسنگ کمیشن آف پاکستان کے پاس آگے منظوری کے لئے داخل کر دی گئی ہے۔ مزید برآں بنگلوں اور مستحکم سرمایہ داروں سے نئے کاروبار کے لئے بھی بات چیت جاری ہے۔ کاروباری اہداف میں تبدیلی کے بعد کپنی کی انتظامیہ اس قابل ہو جائے گی کہ وہ کاروبار کو موقع کی مناسبت کے حساب سے چلا سکے اور کپنی کو ازسرنو بحال کر سکے۔

۷۔ اچھے تنظیمی اصول (کوڈ آف کارپوریٹ گورننس)

کپنی نے اچھے تنظیمی ڈھانچے کے لئے اسٹاک ایکسچینج کے مرتب کردہ اصول کو اپنانے کی پالیسی بنائی ہوئی ہے اور اس پر عمل کر رہی ہے۔

ہم کپنی کے تمام اسٹاک کی منت کو سراہتے ہیں اور بنگلوں کے تعاون کے مشکور ہیں۔

بکم بورڈ آف ڈائریکٹرز  
چیف ایگزیکٹو

تاریخ: 29-10-2016

**Haji Mohammad Ismail Mills Limited  
Condensed Interim Balance Sheet  
As at September 30, 2016 (Un-Audited)**

	Note	September 30, 2016 Rupees (Un-Audited)	June 30, 2016 Rupees (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Long term deposits		50,000	50,000
Deffered tax assets		341,465	
<b>CURRENT ASSETS</b>			
Short term investments		30,672,710	15,069,888
Advances income tax		1,578,544	1,575,719
Security deposits		200,000	200,000
Other receivables		10,710,996	9,959,501
Cash and bank balances		5,689,860	23,481,994
		48,852,110	50,287,102
<b>TOTAL ASSETS</b>		<b>49,243,575</b>	<b>50,337,102</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised Capital</b>			
12,000,000 (June 30, 2016: 12,000,000) ordinary shares of Rs. 10 each		120,000,000	120,000,000
Issued, subscribed and paid up capital	5	119,750,400	119,750,400
Reserves		(72,183,430)	(70,815,003)
		47,566,970	48,935,397
<b>LONG TERM LIABILITIES</b>			
Deffered tax liabilities		-	33,382
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,676,605	1,368,323
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>49,243,575</b>	<b>50,337,102</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		

The annexed notes form an integral part of these condensed financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)**

	Note	September 30, 2016 Rupees	September 30, 2015 Rupees
<b>Operating expenses</b>			
Administrative expenses		(827,382)	(476,587)
<b>Operating loss</b>		(827,382)	(476,587)
Other income		1,596,239	1,497,118
		768,857	1,020,531
Finance cost		(500)	(1,580)
<b>Profit before taxation</b>		768,357	1,018,951
Taxation	7	(235,198)	(221,752)
<b>Profit after taxation</b>		533,159	797,199
Earning per share - basic and diluted		0.04	0.07

The annexed notes form an integral part of these condensed financial information.


  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)**

	Note	September 30, 2016 Rupees	September 30, 2015 Rupees
<b>Profit after taxation</b>		533,159	797,199
<b>Other Comprehensive income for the period</b>			
(Loss) on re-measurement on investments available for sale to fair value - net of tax		(1,901,586)	(3,202,945)
<b>Total comprehensive Loss for the period</b>		<u>(1,368,427)</u>	<u>(2,405,746)</u>

The annexed notes form an integral part of these condensed financial information.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**



**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)**

	September 30, 2016 Rupees	September 30, 2015 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	768,357	1,018,951
<b>Adjustments for:</b>		
Finance cost	500	1,580
Fair value adjustment of investment	(2,276,433)	(3,202,945)
	(2,275,933)	(3,201,365)
Profit before working capital changes	(1,507,576)	(2,182,414)
<b>(Increase) / Decrease in current assets:</b>		
Short term investment - net	(15,602,822)	(1,622,371)
Other receivables	(751,496)	3,929,116
	(16,354,318)	2,306,745
<b>Increase / (decrease) in current liabilities:</b>		
Trade creditors, accrued and other liabilities	308,282	799,286
<b>Cash generated from operations</b>	(17,553,612)	923,617
Taxes paid	(238,022)	(222,438)
Finance cost paid	(500)	(1,580)
	(238,522)	(224,018)
<b>Net decrease in cash and cash equivalents</b>	(17,792,134)	699,599
Cash and cash equivalents at beginning of the period	23,481,994	705,993
Cash and cash equivalents at end of the period	5,689,860	1,405,592

The annexed notes form an integral part of these condensed financial information.

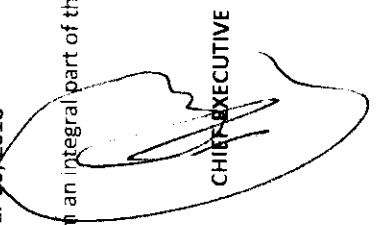
  
**CHIEF EXECUTIVE**

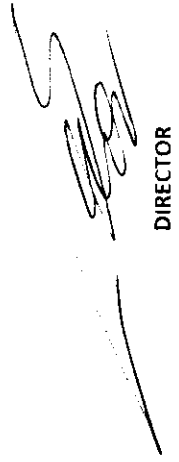
  
**DIRECTOR**

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)**

	Issued, subscribed and paid-up capital	Reserves				Total
		Capital		Revenue		
		Share premium	Fair value reserve	Accumulated Losses	Sub total	
						Rupees
<b>Balance as at July 01, 2015</b>	119,750,400	6,912,000	(211,186)	(76,108,815)	(69,408,001)	50,342,399
Profit for the period	-	-	-	797,199	797,199	797,199
Other comprehensive loss for the period - net of tax	-	-	(3,202,945)	-	(3,202,945)	(3,202,945)
<b>Total Comprehensive (loss) for the Period</b>	-	-	(3,202,945)	797,199	(2,405,746)	(2,405,746)
<b>Balance as at September 30, 2015</b>	<u>119,750,400</u>	<u>6,912,000</u>	<u>(3,414,131)</u>	<u>(75,311,616)</u>	<u>(71,813,747)</u>	<u>47,936,653</u>
<b>Balance as at July 01, 2016</b>	119,750,400	6,912,000	148,941	(77,875,944)	(70,815,003)	48,935,397
Profit for the period	-	-	-	533,159	533,159	533,159
Other comprehensive loss for the period - net of tax	-	-	(1,901,586)	-	(1,901,586)	(1,901,586)
<b>Total Comprehensive (loss) for the Period</b>	-	-	(1,901,586)	533,159	(1,368,427)	(1,368,427)
<b>Balance as at September 30, 2016</b>	<u>119,750,400</u>	<u>6,912,000</u>	<u>(1,752,645)</u>	<u>(77,342,785)</u>	<u>(72,183,430)</u>	<u>47,566,970</u>

The annexed notes form an integral part of these condensed financial information.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**NOTES TO THE CONDENSED FINANCIAL INFORMATION**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2016 (UN-AUDITED)**

**1 STATUS AND NATURE OF BUSINESS**

The Company was incorporated in Pakistan as a Private Limited Company on February 5, 1980 and subsequently converted to public limited company on October 15, 1987. Shares of the company were subsequently listed on the Pakistan Stock Exchange on November 29, 1994. The registered address of the company is situated at 406-Commerce Centre, Hasrat Mohani Road, Karachi 74200.

- 1.1 The Company has closed down its yarn manufacturing operation in October, 2007 and production activities remained suspended. The electric power generation and its sale were also suspended in August, 2012. The management has disposed off the assets of the Company including land, building, plant & machinery to pay off its major debts. The management of the company has decided to change the business dimensions of the company from existing to fast moving goods. The management has prepared new business plan. The new business objects were not specified in the Memorandum of Association of the company.

Management is planning to get involve in distribution business itself or through merger, corporate restructuring or through prosperous investors for revival of the company as sufficient funds are required to implement new business plan. The management is also negotiating with financial institutions for financing of the proposed business plan. In view of the new business dimensions, the company shall remain as a going concern company.

**2 BASIS OF PREPARATION**

- 2.1 This condensed interim financial information of the Company for the three months ended September 30, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2016.
- 2.2 This condensed interim financial information is presented in Pak Rupees which is also the Company's functional currency and figures presented in this condensed interim financial information has been rounded off to the nearest rupee.
- 2.3 This condensed interim financial information is unaudited. However, a limited scope review of this condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of clause (xix) of the Code of Corporate Governance. This condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance 1984.

The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2016, whereas comparative condensed profit and loss account, condensed interim statement of other comprehensive income, condensed cash flow statement and condensed statement of changes in equity are stated from the unaudited condensed interim financial information for the nine month ended September 30, 2016.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies, estimates, judgments and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of annual audited financial statements of the Company for the year ended June 30, 2016.

#### 4 FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2016.

#### 5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	(Unaudited) September 30, 2016	(Audited) June 30, 2016
9,576,240 (June 30, 2016: 9,576,240) Ordinary shares of Rs.10 each fully paid in cash	95,762,400	95,762,400
2,398,800 (June 30, 2016 : 2,398,800) Ordinary shares of Rs.10 each issued as fully paid bonus share	23,988,000	23,988,000
	<u>119,750,400</u>	<u>119,750,400</u>

#### 6 CONTINGENCIES AND COMMITMENTS

There is no major changes in contingencies and commitments as have been disclosed in the audited financial statements for the year ended June 30, 2016.


	(Unaudited) September 30, 2016	(Unaudited) September 30, 2015
7 TAXATION		
Current	(235,198)	(221,752)
	<u>(235,198)</u>	<u>(221,752)</u>

#### 8 DATE OF AUTHORISATION FOR ISSUE

These financial information have been authorised for issue on October 29, 2016 by the Board of Directors of the Company

#### 9 GENERAL

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE



DIRECTOR