

**HAJI MOHAMMAD ISMAIL MILLS  
LIMITED**

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

**FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

## **HAJI MOHAMMAD ISMAIL MILLS LIMITED**

### **COMPANY INFORMATION**

Board of Directors	Mr. Najeeb Mushtaq Vohra – Chief 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:	<a href="mailto:info@hmiml.com">info@hmiml.com</a>
Website	<a href="http://www.hmiml.com">www.hmiml.com</a>

<b>Business:</b>	Cotton yarn manufacturer and Electric Power Generation.
<b>Status of Company</b>	Public listed company ( SSC)
<b>Company Registration No.</b>	K-0007483
<b>National Tax No.</b>	0231147-0
<b>Contact person:</b>	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 2<sup>nd</sup> quarter/half year ended 31<sup>st</sup> December, 2015.

**1. Sales**

Since the sale of entire fixed assets there is no manufacturing activity, therefore, there is no purchase/sale 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.1.96 million.

**4. Earnings per share**

The earning per share for the period is Rs. 0.13

**5. Financial position**

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

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

Due to law and order situation, electric and gas crises in the country, management could not implement its plan for setting of small yarn spinning unit. Negotiations with the banks for financial assistance for setting up a small solar or wind power plant continue. Management is hopeful to get positive response from the financier. Management is also negotiating with the prosperous companies for merger or restructure of the company. Available funds in hand are insufficient for setting up a small unit. All future business plans depends on the financial assistance by financial institutions. Management is also looking other business opportunities in the best interest of the company and its shareholders.

**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: February 27, 2016

**REVIEW REPORT ON CONDENSED INTERIM FINANCIAL  
INFORMATION TO THE MEMBERS**

**For the period ended December 31, 2015**

**INTRODUCTION:**

We have reviewed the accompanying condensed interim balance sheet of **M/S. HAJI MOHAMMAD ISMAIL MILLS LIMITED** ("the Company") as at December 31, 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as "condensed interim financial information") for the six months period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for condensed interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2015 and December 31, 2014 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2015.

**SCOPE OF REVIEW:**

We conducted our review in accordance with the International Standard 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 ADVERSE CONCLUSION:**

The condensed interim financial information of the company have been prepared on going concern basis, despite of the facts that the Company has close 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 payoff

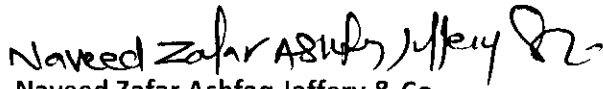
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its major debts. No operations have been carried out by the company. Furthermore, the company has not prepared any detailed business plans including profit or cash flow projection for an appropriate period subsequent to the reporting date. The forgoing conditions indicate material uncertainty which cast a significant doubt on company ability to continue as a going concern.

The significance of matters discussed in preceding paragraph, lead us to believe that going concern assumption used in preparation of the financial information of the company is inappropriate: consequently the assets and liabilities should have been stated at their realizable and settlement amount respectively.

**CONCLUSION:**

Based on our review, due to significance of matter described in the preceding paragraph, that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2015; is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

  
Naveed Zafar Ashfaq Jaffery & Co.  
Chartered Accountants  
Engagement Partner: **Ahsan Elahi Vohra - FCA**

Karachi.

Dated: 27/11/2016

**HAJI MOHAMMAD ISMAIL MILLS LIMITED  
CONDENSED INTERIM BALANCE SHEET  
AS AT DECEMBER 31, 2015 (UN-AUDITED)**

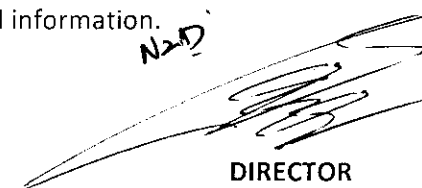
	Note	December 31, 2015 Rupees (Un-Audited)	June 30, 2015 Rupees (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Long term deposits		50,000	50,000
Deffered tax		324,756	30,170
<b>CURRENT ASSETS</b>			
Short term investments		38,397,772	41,046,200
Advances income tax		1,551,681	1,549,239
Security deposits		200,000	200,000
Other receivables		4,640,279	8,311,968
Cash and bank balances		6,586,774	705,993
		51,376,506	51,813,400
<b>TOTAL ASSETS</b>		<b>51,751,262</b>	<b>51,893,570</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised Capital</b>			
12,000,000 (2015: 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		(69,470,332)	(69,408,001)
		50,280,068	50,342,399
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,471,194	1,551,171
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>51,751,262</b>	<b>51,893,570</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	6		

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



CHIEF EXECUTIVE

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DIRECTOR

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)**

	Note	Half year ended		Quarter ended	
		December 31, 2015 Rupees	December 31, 2014 Rupees	December 31, 2015 Rupees	December 31, 2014 Rupees
Administrative expenses		<u>(847,933)</u>	<u>(829,758)</u>	<u>(371,346)</u>	<u>(365,022)</u>
Operating loss		<u>(847,933)</u>	<u>(829,758)</u>	<u>(371,346)</u>	<u>(365,022)</u>
Other income		<u>2,814,536</u>	<u>3,805,710</u>	<u>1,317,418</u>	<u>2,559,462</u>
		<u>1,966,603</u>	<u>2,975,952</u>	<u>946,072</u>	<u>2,194,440</u>
Finance cost		<u>(1,580)</u>	<u>(1,032)</u>	<u>-</u>	<u>(800)</u>
Profit before taxation		<u>1,965,023</u>	<u>2,974,920</u>	<u>946,072</u>	<u>2,193,640</u>
Taxation	8	<u>(398,256)</u>	<u>(242,372)</u>	<u>(176,504)</u>	<u>(122,913)</u>
Profit after taxation		<u>1,566,767</u>	<u>2,732,548</u>	<u>769,568</u>	<u>2,070,727</u>
Earning per share - basic and diluted		<u>0.13</u>	<u>0.23</u>	<u>0.06</u>	<u>0.18</u>

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

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CHIEF EXECUTIVE



DIRECTOR



**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)**

Note	Half year ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	Rupees	Rupees	Rupees	Rupees
<b>Profit after taxation</b>	<b>1,566,767</b>	<b>2,732,548</b>	<b>769,568</b>	<b>2,070,727</b>
<b>Other Comprehensive income for the period</b>				
(Loss) / gain on re-measurement on investments available for sale to fair value - net of tax	(1,629,098)	750,100	1,573,847	617,307
<b>Total comprehensive (Loss) / Profit for the period</b>	<b><u>(62,331)</u></b>	<b><u>3,482,648</u></b>	<b><u>2,343,415</u></b>	<b><u>2,688,034</u></b>

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

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**CHIEF EXECUTIVE**

  
**DIRECTOR**

**Haji Mohammad Ismail Mills Limited**  
**Condensed Interim Cash Flow Statement**  
**For the Half Year Ended December 31, 2015 (Un-audited)**

	Half year ended	
	December 31, 2015 Rupees	December 31, 2014 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,965,023	2,974,920
<b>Adjustments for:</b>		
Finance cost	1,580	1,032
Fair value adjustment of investment	(1,923,684)	750,100
	(1,922,104)	751,132
Profit before working capital changes	42,919	3,726,052
<b>(Increase) / Decrease in current assets:</b>		
Short term investment - net	2,648,428	7,255,503
Other receivables	3,671,689	(125,540)
	6,320,117	7,129,963
<b>Increase / (decrease) in current liabilities:</b>		
Trade creditors, accrued and other liabilities	(79,977)	(203,666)
<b>Cash generated from operations</b>	6,283,059	10,652,349
Taxes paid	(400,698)	(455,184)
Finance cost paid	(1,580)	(1,032)
	(402,278)	(456,216)
<b>Net cash generated from operating activities</b>	5,880,781	10,196,133
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Short term loan	-	(5,678,165)
<b>Net cash used in financing activities</b>	-	(5,678,165)
<b>Net increase in cash and cash equivalents</b>	5,880,781	4,517,968
Cash and cash equivalents at beginning of the period	705,993	634,962
<b>Cash and cash equivalents at end of the period</b>	6,586,774	5,152,930

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

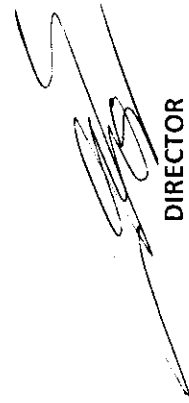
**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (UN-AUDITED)**

	Reserves					Total
	Capital		Revenue			
	Share premium	Fair value reserve	Accumulated Losses	Sub total		
	----- Rupees -----					
<b>Balance as at July 01, 2014</b>	119,750,400	6,912,000	826,406	(81,152,336)	(73,413,930)	46,336,470
Profit for the period	-	-	-	2,732,548	2,732,548	2,732,548
Other comprehensive income for the period	-	750,100	-	-	750,100	750,100
Total comprehensive income for the period	-	750,100	-	2,732,548	3,482,648	3,482,648
<b>Balance as at December 31, 2014</b>	<u>119,750,400</u>	<u>6,912,000</u>	<u>1,576,506</u>	<u>(78,419,788)</u>	<u>(69,931,282)</u>	<u>49,819,118</u>
<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	-	-	-	1,566,767	1,566,767	1,566,767
Other comprehensive loss for the period - net of tax	-	(1,629,098)	-	-	(1,629,098)	(1,629,098)
Total Comprehensive (loss) / income for the Period	-	(1,629,098)	-	1,566,767	(62,331)	(62,331)
<b>Balance as at December 31, 2015</b>	<u>119,750,400</u>	<u>6,912,000</u>	<u>(1,840,284)</u>	<u>(74,542,048)</u>	<u>(69,470,332)</u>	<u>50,280,068</u>

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



CHIEF EXECUTIVE



DIRECTOR

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**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**NOTES TO THE CONDENSED FINANCIAL INFORMATION**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2015 (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 a Public Limited Company on October 15, 1987. Shares of the company were subsequently listed on the Karachi Stock Exchange on November 29, 1994. However, due to integration of Karachi, Lahore and Islamabad Stock Exchanges into Pakistan Stock Exchange effective January 11, 2016 the shares of the Company are now quoted on Pakistan Stock Exchange. The registered office of the Company is situated at 409, Commerce Centre, Hasrat Mohani Road, Karachi. Principal business of the Company is manufacture and sale of yarn and power generation.

- 1.2** Liabilities of the banks and creditors have been settled. Clearance of CIB report is in process. Bankers are reluctant to finance the company for setting up new unit as the available security to finance is inadequate. Pending arrangements with banks for future business plan, management is looking other business opportunities with available funds in hand.

**2 BASIS OF PREPARATION**

- 2.1** This condensed interim financial information of the Company for the half year ended December 31, 2015 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, 2015.
- 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.

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The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2015, whereas comparative condensed profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are stated from the unaudited condensed interim financial information for the six month ended December 31, 2014.

### 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, 2015.

### 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, 2015.

### 5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	(Unaudited) December 31, 2015	(Audited) June 30, 2015
9,576,240 (June 30, 2015: 9,576,240) Ordinary shares of Rs.10 each fully paid in cash	95,762,400	95,762,400
2,398,800 (June 30, 2015 : 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, 2015.

	(Unaudited) December 31, 2015	(Unaudited) December 31, 2014
7 TAXATION		
Prior	-	205,616
Current	(398,256)	(447,988)
	<u>(398,256)</u>	<u>(242,372)</u>

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**8 DATE OF AUTHORISATION FOR ISSUE**

These financial information have been authorised for issue on 27-02-2016 by the Board of Directors of the Company.

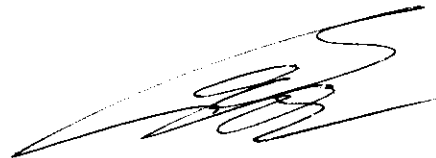
**9 GENERAL**

Figures have been rounded off to the nearest rupee.

N212



**CHIEF EXECUTIVE**



**DIRECTOR**