

**HAJI MOHAMMAD ISMAIL MILLS
LIMITED**

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2022**

HAJI MOHAMMAD ISMAIL MILLS LIMITED

COMPANY INFORMATION

Board of Directors	Mr. Gulzar Siddiq Mr. Farrukh Shafiq Mr. Muhammad Sarfraz Mr. Noman Mustafa Zuberi Mr. Mohammad Sadiq Mr. Mohammad Irfan Mr. Ali Asghar	Chairman/Independent Chief Executive/Director Director/ Executive Director/Independent Director/ Non Executive Director/ Non Executive Director/Non Executive
Audit Committee	Mr. Noman Mustafa Mr. Mohammad Irfan Mr. Muhammad Sadiq	Chairman Member Member
Human Resource & Remuneration Committee.	Mr. Gulzar Siddiq Mr. Muhammad Sadiq Mr. Ali Asghar	Chairman Member Member
Chief Financial Officer	Mr. Suhail Ahmed	
Company Secretary	Mr. Muhammad Sarfraz	
Auditors	Naveed Zafar Ashfaq Jaffery & Co Chartered Accountants 1 st 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 National Bank of Pakistan	
Share Registrar and Transfer Office	Najeeb Consultants (Pvt) Ltd 406-Commerce Centre, Hasrat Mohani Road, Karachi-74200	
Registered office	409-Commerce Centre, Hasrat Mohani Road, Karachi-74200	
Phone No.:	92-21-32638521-3	
E-mail:	info@hmiml.com	
Website	www.hmiml.com	
Business:	Distributor of fast moving consumers goods.	
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 3rd quarter ended 31st March, 2022.

1. Sales

There is no sale/purchase or manufacturing activity during the period and same position was in the corresponding period.

2. Gross profit

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

3. Pre-Tax loss

Company's pretax loss for the reported period is Rs.2,458,813/-

4. Earnings per share

The earning/(loss) per share for the period is Rs. (0.21)

5. Financial position

There is no outstanding liability against the company. The company is presently involved in small trading activities. Due to adverse market factors, financial position of the company is not encouraging.

6. Current and future summary and prospects

The board focused on new business dimensions for revival of the company. Company signed a MOU for new business plan. All the above efforts came to halt due to filing of winding up petition by the SECP in the High Court of Sindh. Management is defending the case. Matter is still subjudice in the High Court.

7. Code of Corporate Governance

The company has taken necessary steps to comply with the provisions of Code of Corporate Governance Regulations of Securities & Exchange Commission of Pakistan.

8. Appreciation

We appreciate the hard work of all the staff members of the company and the support of its shareholders and bankers.

For and on behalf of the Board of Directors

 Chief Executive

 Director

Karachi: April. 25, 2022

حاجی محمد اسماعیل ملزلیڈ

ڈائریکٹر رپورٹ برائے حصص یافتگان

کمپنی ڈائریکٹرز 31 مارچ، 2022 کو ختم ہونے والی تیسری سہ ماہی کے لئے غیر آڈٹ شدہ مالی گوشوارے پیش کرنے میں خوشی محسوس کر رہے ہیں۔

1. میلز

اس مدت کے دوران کوئی فروخت یا خریداری یا مینوفیکچرنگ کی سرگرمی نہیں ہے۔ گزشتہ سال بھی یہی حالت تھی۔

2. مجموعی منافع

اس مدت کے لئے کمپنی کو کوئی مجموعی منافع / نقصان نہیں ہے۔

3. پری ٹیکس نقصان

رپورٹ کی مدت کے لئے کمپنی کا پری ٹیکس نقصان 2,458,813 روپے ہے۔

4. فی شیر آمدنی

رپورٹ کی مدت کے لئے فی حصص / نقصان 0.21 روپے ہے۔

5. مالیاتی پوزیشن

کمپنی کے ذمہ کوئی بقایا جات نہیں ہے۔ کمپنی اس وقت چھوٹی تجارتی سرگرمیوں میں مصروف ہے۔ منفی مارکیٹ عوامل کی وجہ سے کمپنی کی مالی پوزیشن حوصلہ افزا نہیں ہے۔

6. موجودہ اور مستقبل کے امکانات

بورڈ نے اپنی توجہ نئے کاروباری رجحان کی طرف کی ہوئی ہے تاکہ کمپنی کو بحال کیا جاسکے اسلئے کمپنی نے ایک MOU پر دستخط کیے تھے۔ یہ تمام کوششیں رک گئیں جب سندھ ہائی کورٹ میں SECP کی جانب سے کمپنی کو بند کرنے کی درخواست دائر ہوئی۔ منجمنت کیس کا دفاع کر رہی ہے۔ کیس ابھی زیر سماعت ہے۔

7. کوڈ آف کارپوریٹ گورننس کی تعمیل

کمپنی نے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کارپوریٹ گورننس کے قوانین کی تعمیل کے لئے ضروری اقدامات کئے ہیں۔

8. خدمات کا اعتراف

ہم کمپنی کے تمام عملے کے ارکان کی خدمات کو سراہتے ہیں اور کمپنی کے حصے داران اور بینکوں کے تعاون کے مشکور ہیں۔

ڈائریکٹر

منجانب بورڈ آف ڈائریکٹرز
چیف ایگزیکٹو
فائل

کراچی، اپریل، 2022

HAJI MOHAMMAD ISMAIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	Note	MARCH 31, 2022 (Un-audited) Rupees	JUNE 30, 2021 (Audited) Rupees
ASSETS			
NON-CURRENT ASSETS			
Long term deposits		50,000	50,000
CURRENT ASSETS			
Investments - available for sale		53,900	53,900
Advance tax - net of provision		930,788	924,493
Other receivables		876,323	886,323
Cash and bank balances		16,134,931	18,316,632
		17,995,942	20,181,348
TOTAL ASSETS		18,045,942	20,231,348
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
12,000,000 ordinary shares of Rs. 10 each		<u>120,000,000</u>	<u>120,000,000</u>
Issued, subscribed and paid up capital	6	119,750,400	119,750,400
Reserves		<u>(105,122,116)</u>	<u>(102,805,611)</u>
		14,628,284	16,944,789
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred Liabilities		3,283,885	3,086,386
CURRENT LIABILITIES			
Trade and other payables		133,773	200,173
TOTAL EQUITY AND LIABILITIES		18,045,942	20,231,348
CONTINGENCIES AND COMMITMENTS	7	-	-

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.


FARRUKH SHAFIQ
Chief Executive


MUHAMMAD SARFRAZ
Director


SOHAIL AHMED
Chief Financial Officer

HAJI MOHAMMAD ISMAIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022 (UN-AUDITED)

	Note	Nine months ended		Quarter ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		Rupees	Rupees Restated	Rupees	Rupees Restated
Operating expenses					
Administrative expenses		(2,500,329)	(2,311,359)	(788,843)	(759,311)
Operating loss		<u>(2,500,329)</u>	<u>(2,311,359)</u>	<u>(788,843)</u>	<u>(759,311)</u>
Other income		41,968	260,115	10,850	25,065
		<u>(2,458,361)</u>	<u>(2,051,244)</u>	<u>(777,993)</u>	<u>(734,246)</u>
Finance cost	8	(452)	(6,521)	-	(6,521)
Loss before taxation		<u>(2,458,813)</u>	<u>(2,057,765)</u>	<u>(777,993)</u>	<u>(740,767)</u>
Taxation		-	-	-	-
Loss after taxation		<u>(2,458,813)</u>	<u>(2,057,765)</u>	<u>(777,993)</u>	<u>(740,767)</u>
Loss per share - basic and diluted		<u>(0.21)</u>	<u>(0.17)</u>	<u>(0.07)</u>	<u>(0.06)</u>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.


FARRUKH SHAFIQ
 Chief Executive


MUHAMMAD SARFRAZ
 Director


SOHAIL AHMED
 Chief Financial Officer

HAJI MOHAMMAD ISMAIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022 (UN-AUDITED)

	Half Year ended		Quarter ended	
	March 31, 2022 Rupees	March 31, 2021 Rupees Restated	March 31, 2022 Rupees	March 31, 2021 Rupees Restated
Loss after taxation	(2,458,813)	(2,057,765)	(777,993)	(740,767)
<u>Other comprehensive income / (loss)</u>				
Items that may be reclassified subsequently to profit or loss				
Gain/(loss) on re-measurement of staff retirement benefits	142,308	142,130	47,436	47,377
Loss on re-measurement on investments available for sale to fair value - net of tax	-	(2,047)	-	-
	142,308	140,083	47,436	47,377
Total comprehensive loss	(2,316,505)	(1,917,682)	(730,557)	(693,390)

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.


FARRUKH SHAFIQ
 Chief Executive


MUHAMMAD SARFRAZ
 Director


SOHAIL AHMED
 Chief Financial Officer

HAJI MOHAMMAD ISMAIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022 (UN-AUDITED)

	Reserves				Sub total	Total
	Capital		Revenue			
	Issued, subscribed and paid-up capital	Share premium	Fair value reserve (Loss)/profit	Accumulated loss		
Balance as at July 01, 2019	119,750,400	6,912,000	(20,511,147)	81,848,275	(95,447,422)	24,302,978
Effect of change in accounting policy	-	-	-	(2,074,618)	(2,074,618)	(2,074,618)
Balance as at July 01, 2019-Restated	119,750,400	6,912,000	(20,511,147)	83,922,893	(97,522,040)	22,228,350
Loss for the year-Restated	-	-	-	(22,619,705)	(22,619,705)	(22,619,705)
Other comprehensive income for the year - net of tax-Restated	-	-	20,125,850	-	20,125,850	20,125,850
Total Comprehensive loss for the year-Restated	-	-	20,125,850	(22,619,705)	(2,493,855)	(2,493,855)
Balance as at June 30, 2020-Restated	119,750,400	6,912,000	(385,297)	(106,542,598)	(100,015,895)	19,734,505
Balance as at July 01, 2020-Restated	119,750,400	6,912,000	(385,297)	(106,542,598)	(100,015,895)	19,734,505
Loss for the period-Restated	-	-	-	(2,057,765)	(2,057,765)	(2,057,765)
Other comprehensive loss for the period-Restated	-	-	140,083	-	140,083	140,083
Total Comprehensive loss for the period-Restated	-	-	140,083	(2,057,765)	(1,917,682)	(1,917,682)
Balance as at March 31, 2021-Restated	119,750,400	6,912,000	(245,214)	(108,600,363)	(101,933,577)	17,816,823
Balance as at July 01, 2021	119,750,400	6,912,000	(197,837)	(109,519,774)	(102,805,611)	16,944,789
Loss for the period	-	-	-	(2,458,813)	(2,458,813)	(2,458,813)
Other comprehensive income for the period	-	-	142,308	-	142,308	142,308
Total Comprehensive loss for the period	-	-	142,308	(2,458,813)	(2,316,505)	(2,316,505)
Balance as at March 31, 2022	119,750,400	6,912,000	(55,529)	(111,978,587)	(105,122,116)	14,628,284

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.


FARRUKH SHARIF
Chief Executive


MUHAMMAD SARFRAZ
Director


SOHAIL AHMED
Chief Financial Officer

HAJI MOHAMMAD ISMAIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022 (UN-AUDITED)

Note	March 31, 2022 Rupees	March 31, 2021 Rupees Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,458,813)	(2,057,765)
Adjustments for:		
Finance cost	452	6,521
Fair value adjustment of investment	-	(2,047)
Staff retirement benefits- gratuity	339,807	339,806
	340,259	344,280
Loss before working capital changes	(2,118,554)	(1,713,485)
Decrease/(Increase) in current assets:		
Short term investment - net	-	11,860,842
Other receivables	10,000	(65,000)
	10,000	11,795,842
Increase in current liabilities:		
Trade and other payables	(66,400)	(68,532)
Cash (used in) / generated from operations	(2,174,954)	10,013,825
Taxes paid	(6,295)	(28,871)
Finance cost paid	(452)	(6,521)
	(6,747)	(35,392)
Net cash (used in) / generated from operating activities	(2,181,701)	9,978,433
Net (decrease) / increase in cash and cash equivalents	(2,181,701)	9,978,433
Cash and cash equivalents at beginning of the period	18,316,632	5,042,938
Cash and cash equivalents at end of the period	16,134,931	15,021,371

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.


FARRUKH SHAFIQ
 Chief Executive


MUHAMMAD SARFRAZ
 Director


SOHAIL AHMED
 Chief Financial Officer

HAJI MOHAMMAD ISMAIL MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022 (UN-AUDITED)

1 STATUS AND NATURE OF BUSINESS

- 1.1 The Company was incorporated in Pakistan as a Private Limited Company on February 5, 1980 under the then Companies Act, 1913 and subsequently converted to public limited company on October 15, 1987 under the repealed Companies Ordinance 1984 (now replaced with the enactment of Companies Act, 2017). Shares of the company were subsequently listed on the Stock Exchange on November 29, 1994. The main object of the company was manufacturing and sale of yarn and power generation. Subsequently during the Year ended June 30, 2017 management amended the object clause in the Memorandum of Association to move from Textile / Power Generation to trading/distribution of fast moving consumer goods and other lawful business objects.

The registered office of the company is situated at 409-Commerce Centre, Hasrat Mohani Road, Karachi 74200.

1.2 Going Concern Assumption

Financial statements have been prepared by using going concern assumption on the basis of following factors:

- 1.2.1 During the year 2017, the management of the company had altered object clause of its Memorandum of Association to change the main business lines of the company from textile and power generation to fast moving consumer goods.
- 1.2.2 The management is planning to commence consumer goods distribution business besides exploring other business opportunities either itself or through merger, corporate restructuring or through prosperous investors for revival of the company.
- 1.2.3 However, in the mean time, the Securities and Exchange Commission of Pakistan has filed a petition in the High Court of Sindh for winding up of the Company. The matter is presently subjudice and no order has been passed in this regard.
In view of the above fact, the management asserts that the company shall continue to be a going concern.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with International Accounting Standard - 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017.

These interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2021.

2.2 Functional and presentation currency

These financial information are presented in Pakistani Rupees which is also the Company's functional currency. All financial information presented in Pakistani Rupees has been rounded off to the nearest rupee.

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, 2021.

4 CHANGE IN ACCOUNTING POLICY

During the year The Board of Directors in their meeting held on April 27, 2021 approved the gratuity scheme for all of its employees. Accordingly, the Company has restated its prior period financial statement in accordance with International Accounting Standard (IAS) 8 "Accounting Policies, Changes in Accounting Estimates and Errors" to account for recognition of staff retirement benefits provision as per IAS 19.

Due to oversight previously there was no provision recorded and disclosed in the financial statements as per IAS 19 "Employee Benefits". Now the company has recognized provision for staff benefit scheme as per IAS 19 and the related disclosures are duly provided in the financial statements.

5 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, 2021.

	March 31, 2022 (Un-audited)	June 30,2021 (Audited)
6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
9,576,240 (June 30,2021: 9,576,240) Ordinary shares of Rs.10 each fully paid in cash	95,762,400	95,762,400
2,398,800 (June 30,2021 : 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>

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

The Company and the directors received a notice on May 24, 2018 from National Bank of Pakistan relating to Suo Moto Notice of Supreme Court of Pakistan on loan written off pertaining to the period 2003. The company at its own and on behalf of the then directors has filed a statement on June 5, 2018 through its legal counsel whereby it was explained that the amounts were duly settled by consent decree of High Court of Sindh and was paid by the then management to National Bank of Pakistan. The case is yet to be decided. The current management believes that no liability or payment accrues against the Company. Accordingly, no provision has been made in these financial statements.

7.2 Commitments

There were no commitments as at March 31, 2022 (June 30, 2021: NIL).

	March 31, 2022 (Un-audited)	March 31, 2021 (Un-audited) Restated
8 FINANCIAL COST	<u>452</u>	<u>6,521</u>

9 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on 25th April.2022, by the Board of Directors of the Company.

10 GENERAL

Figures have been rounded off to the nearest rupee.

 FARRUKH SHAFIQ Chief Executive	 MUHAMMAD SARFRAZ Director	 SOHAIL AHMED Chief Financial Officer
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