

**HAJI MOHAMMAD ISLMAIL MILLS LIMITED**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE HALF YEAR ENDED**  
**DECEMBER 31, 2019**

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**

**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/Non Executive Director/Non Executive Director/ Non Executive Director/ Non Executive Director/Independent
Audit Committee	Mr. Noman Mustafa Mr. Mohammad Irfan Mr. Muhammad Sadiq	Chairman Member Member
Human Resource & Remuneration Committee.	Mr. Muhammad Sarfraz 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 <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 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:	<a href="mailto:info@hmiml.com">info@hmiml.com</a>	
Website	<a href="http://www.hmiml.com">www.hmiml.com</a>	

Business:

Distributor of fast moving  
Consumers goods.

Status of Company

Public listed company

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 2nd quarter ended 31<sup>st</sup> December, 2019.

**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 loss**

Company's pretax loss for the reported period is Rs.21.31(m)

**4. Earnings per share**

The earning/(loss) per share for the period is Rs. (1.78)

**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. MOU was signed 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. Economic outlook of the country is uncertain due to which Stock market remains under pressure. Company suffered loss on securities investment.

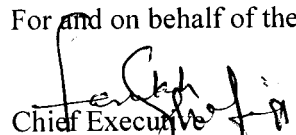
**7. Code of Corporate Governance**

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  
Karachi: Feb. 27, 2020

حاجی محمد اسماعیل ملز لمیٹڈ

ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی ڈائریکٹرز 31 دسمبر، 2019 کو ختم ہونے والی دوسری سہ ماہی / نصف سال 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 مینوفیکچر 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 21,310,958 روپے ہے۔

4. فی شیر آمدنی

رپورٹ کی مدت کے لئے فی حصص / (نقصان) 1.78 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 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۔ مینجمنٹ کیس کا دفاع کر رہی ہے۔ کیس ابھی زیر سماعت ہے ملکی معاشی حالت کی غیر یقینی کی وجہ سے اسٹاک مارکیٹ پریشر میں ہے جسکی وجہ سے کمپنی کو اسٹاک انوسٹمنٹ میں نقصان ہوا 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 سرہاتے ہیں اور کمپنی کے حصے داران اور بینکوں کے تعاون کی تعریف کرتے ہیں۔

حاجی محمد اسماعیل ملز لمیٹڈ  
ڈائریکٹرز

چیف ایگزیکٹو

کراچی: فروری، 2020

## INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Haji Mohammad Ismail Mills Limited  
Report on review of Interim Financial Statements

### Introduction:

We have reviewed the accompanying condensed interim statement of financial position of **Haji Mohammad Ismail Mills Limited** ("the Company") as at December 31, 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

### Scope of Review:

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial statements Performed by the Independent Auditor of the Entity." A review of interim financial statements 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 statements of the company have been prepared on going concern basis, despite of the facts that the management has disposed off the assets of the Company including land, building, plant & machinery to pay off its major debts during the year ended June 30, 2015. The company has prepared new business plan, however, the underlying assumption for new business plan is not appropriate for the 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. •

NZJ

The significance of matters discussed in preceding paragraph, lead us to believe that going concern assumption used in preparation of the financial statements 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 statements as at and for the half year ended December 31, 2019 are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is **Ahsan Elahi Vohra**.

**NZM**

  
Chartered Accountants

Karachi

Dated: 27 FEB 2020




**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

	Note	December 31, 2019 Rupees (Un-Audited)	June 30, 2019 Rupees (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Long term deposits		50,000	50,000
<b>CURRENT ASSETS</b>			
Short term investments		12,053,900	12,266,880
Advance tax-net of provision		820,841	810,207
Other receivables		4,871,313	4,808,857
Cash and bank balances		5,852,970	6,543,601
		23,599,024	24,429,545
<b>TOTAL ASSETS</b>		<b>23,649,024</b>	<b>24,479,545</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized Capital</b>			
12,000,000 (June 30,2019: 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
Accumulated losses		(96,300,682)	(95,447,422)
		23,449,718	24,302,978
<b>CURRENT LIABILITIES</b>			
Accrued and other liabilities		199,306	176,567
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,649,024</b>	<b>24,479,545</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-

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

N/A

  
**Farrukh Shafiq**  
**CHIEF EXECUTIVE**

  
**Muhammad Sarfraz**  
**DIRECTOR**

  
**Suhail Ahmed**  
**CHIEF FINANCIAL OFFICER**

**Haji Mohammad Ismail Mills Limited**  
**Condensed Interim Statement of Profit or Loss**  
**For the Half Year Ended December 31, 2019 (Un-audited)**

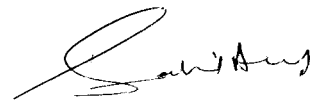
	Note	Half year ended		Quarter ended	
		December 31,	December 31,	December 31,	December 31,
		2019	2018	2019	2018
		Rupees	Rupees	Rupees	Rupees
<b>Operating expenses</b>					
Administrative expenses		(1,319,302)	(1,343,928)	(673,731)	(664,049)
Other expenses		(20,218,733)	(1,549,483)	(5,408,788)	(230,237)
		<u>(21,538,035)</u>	<u>(2,893,411)</u>	<u>(6,082,519)</u>	<u>(894,286)</u>
Other income		227,112	297,912	205,639	296,516
		<u>(21,310,923)</u>	<u>(2,595,499)</u>	<u>(5,876,880)</u>	<u>(597,770)</u>
Finance cost		(35)	(35)	-	(35)
<b>Loss before taxation</b>		<u>(21,310,958)</u>	<u>(2,595,534)</u>	<u>(5,876,880)</u>	<u>(597,805)</u>
<b>Taxation</b>	7	(18,787)	(38,275)	(16,553)	(38,275)
<b>Loss for the period</b>		<u>(21,329,745)</u>	<u>(2,633,809)</u>	<u>(5,893,433)</u>	<u>(636,080)</u>
Loss per share - basic and diluted		<u>(1.78)</u>	<u>(0.22)</u>	<u>(0.49)</u>	<u>(0.05)</u>

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

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Farukh Shafiq  
**CHIEF EXECUTIVE**

  
Muhammad Sarfraz  
**DIRECTOR**

  
Suhail Ahmed  
**CHIEF FINANCIAL OFFICER**

**Haji Mohammad Ismail Mills Limited**  
**Condensed Interim Statement of Comprehensive Income**  
**for the Half Year ended December 31, 2019 (Un-audited)**

	Half year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Rupees	Rupees	Rupees	Rupees
Loss for the period	(21,329,745)	(2,633,809)	(5,893,433)	(636,080)
<b>Other Comprehensive profit/(loss) for the period</b>				
Profit/(Loss) on re-measurement on investments available for sale to fair value	20,476,485	(4,015,877)	7,053,628	(2,774,449)
<b>Total comprehensive (loss)/profit for the period</b>	<b>(853,260)</b>	<b>(6,649,686)</b>	<b>1,160,195</b>	<b>(3,410,529)</b>

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

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 Farrukh Siddiq  
 CHIEF EXECUTIVE

  
 Muhammad Sarfraz  
 DIRECTOR

  
 Suhail Ahmed  
 CHIEF FINANCIAL OFFICER

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASHFLOW**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)**

	December 31, 2019 Rupees	December 31, 2018 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(21,310,958)	(2,595,534)
<b>Adjustments for:</b>		
Finance cost	35	35
Fair value adjustment of investment	20,476,485	(4,015,877)
	20,476,520	(4,015,842)
Loss before working capital changes	(834,438)	(6,611,376)
<b>Decrease in current assets:</b>		
Short term investment - net	212,980	6,603,656
Other receivables	(62,457)	285,884
	150,523	6,889,540
<b>Increase/ (Decrease) in current liabilities:</b>		
Accrued and other liabilities	22,739	14,999
<b>Cash used in operations</b>	(661,176)	293,163
Taxes paid	(29,420)	(41,316)
Finance cost paid	(35)	(35)
	(29,455)	(41,351)
<b>Net Increase/ (decrease) in cash and cash equivalents</b>	(690,631)	251,812
Cash and cash equivalents at beginning of the period	6,543,601	7,504,794
Cash and cash equivalents at end of the period	5,852,970	7,756,606

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

  
**Farrukh Shaheed**  
**CHIEF EXECUTIVE**

  
**Muhammad Sarfraz**  
**DIRECTOR**

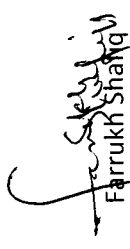
  
**Suhail Ahmed**  
**CHIEF FINANCIAL OFFICER**

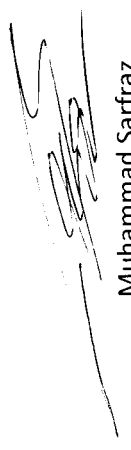
**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019 (UN-AUDITED)**


	Rupees					Total	
	Issued, subscribed and paid-up capital	Capital		Reserves			Sub total
		Share premium	Fair value reserve	Accumulated Losses	Revenue		
<b>Balance as at July 01, 2018</b>	119,750,400	6,912,000	(11,583,241)	(77,807,849)	(82,479,090)	37,271,310	
Loss for the period	-	-	-	(2,633,809)	(2,633,809)	(2,633,809)	
Other comprehensive loss for the period	-	-	(4,015,877)	-	(4,015,877)	(4,015,877)	
Total Comprehensive loss for the Period	-	-	(4,015,877)	(2,633,809)	(6,649,686)	(6,649,686)	
<b>Balance as at December 31, 2018</b>	<u>119,750,400</u>	<u>6,912,000</u>	<u>(15,599,118)</u>	<u>(80,441,658)</u>	<u>(89,128,776)</u>	<u>30,621,624</u>	
<b>Balance as at July 01, 2019</b>	119,750,400	6,912,000	(20,511,147)	(81,848,275)	(95,447,422)	24,302,978	
Loss for the period	-	-	-	(21,329,745)	(21,329,745)	(21,329,745)	
Other comprehensive loss for the period	-	-	20,476,485	-	20,476,485	20,476,485	
Total Comprehensive loss for the Period	-	-	20,476,485	(21,329,745)	(853,260)	(853,260)	
<b>Balance as at December 31, 2019</b>	<u>119,750,400</u>	<u>6,912,000</u>	<u>(34,662)</u>	<u>(103,178,020)</u>	<u>(96,300,682)</u>	<u>23,449,718</u>	

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

  
**Farrukh Shaheed**  
**CHIEF EXECUTIVE**

  
**Muhammad Sarfraz**  
**DIRECTOR**

  
**Suhail Ahmed**  
**CHIEF FINANCIAL OFFICER**

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

**1 THE COMPANY AND ITS OPERATIONS**

**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 enactment of Companies Act, 2017). Shares of the company were listed on the Stock Exchange on November 29, 1994.

The main objective of the company was manufacturing and sale of yarn and power generation. Subsequently during the Year ended June 30, 2017 management added new object clauses in Memorandum of Association from Textile / Power Generation to trading/distribution of fast moving consumer goods.

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

**1.2 GOING CONCERN ASSUMPTION**

The management has disposed off the assets of the Company including land, building, plant & machinery during the year 2013 and pay off its major debts during the year ended June 30, 2015. The management of the company has changed the business dimensions of the company from textile and power generation to fast moving consumer goods. Subsequent to the year ended June 30, 2017 management has added new business object clauses in Memorandum of Association.

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. The company is presently involve in trading activities. In view of the new business dimensions, the company shall remain as a going concern company.

**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, 2019.

**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, 2019.

**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, 2019.

## 5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	(Unaudited)	(Audited)
	December 31, 2019	June 30, 2019
9,576,240 (June 30, 2019: 9,576,240) Ordinary shares of Rs.10 each fully paid in cash	95,762,400	95,762,400
2,398,800 (June 30, 2019 : 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

### 6.1 Contingencies

SECP has issued order dated 13th April, 2017 u/s.309 read with section 305 of the Companies Ordinance, 1984 for winding up of the company. The company has filed appeal against the order before the Appellate Bench of the SECP. Pending the decision by the Appellate Bench, SECP filed winding up petition in the High Court of Sindh consequently Pakistan Stock Exchange Limited suspended the trading of company's shares on 11th December, 2017 under PSX Regulations till the rectification of default. The matter is still subjudice before the Honourable High Court of Sindh

### 6.2 Commitments

There is no commitments as at December 2019 (June 2019: NIL)

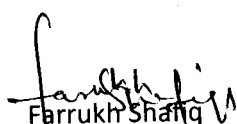
	(Unaudited)	(Unaudited)
	December 31, 2019	December 31, 2018
7 TAXATION		
Current	<u>18,787</u>	<u>38,275</u>


## 8 DATE OF AUTHORISATION FOR ISSUE

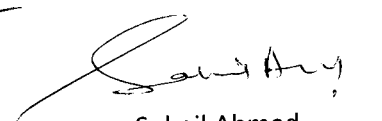
This financial information has been authorized for issue on 27 FEB 2020 by the Board of Directors of the Company

## 9 GENERAL

Figures have been rounded off to the nearest rupee.

  
Farrukh Shafiq  
CHIEF EXECUTIVE

  
Muhammad Sarfraz  
DIRECTOR

  
Suhail Ahmed  
CHIEF FINANCIAL OFFICER