

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE HALF YEAR ENDED**  
**DECEMBER 31, 2020**

**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, 2020.

**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.1,097,737/-

**4. Earnings per share**

The earning/(loss) per share for the period is Rs. (0.09)

**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

Karachi: Feb. 25, 2021

  
Director



حاجی محمد اسماعیل ملز لمیٹڈ

ڈائریکٹر رپورٹ برائے حصص یافتگان

کمپنی ڈائریکٹر 31 دسمبر، 2020 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. سیلز

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 1,097,737 روپے ہے۔

4. فی شیر آمدنی

رپورٹ کی مدت کے لئے فی حصص / (نقصان) 0.09 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۔

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۔

ڈائریکٹر

منجانب بورڈ آف ڈائریکٹر  
چیف ایگزیکٹو

کراچی: فروری، 25، 2021



## 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, 2020 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, 2020 and December 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

### 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.

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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, 2020 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**.

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*Naveed Zafar Ashfaq Jaffery & Co*  
Chartered Accountants

Karachi

Dated: **25 FEB 2021**



**Haji Mohammad Ismail Mills Limited**  
**Statement of Financial Position**  
**As at December 31, 2020**

	Note	December 31, 2020 (Un-audited) Rupees	June 30, 2020 (Audited) Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Long term deposits		50,000	50,000
<b>CURRENT ASSETS</b>			
Investments-available for sale		53,900	11,914,742
Advance tax - net of provision		917,637	892,636
Other receivables		4,920,513	4,850,513
Cash and bank balances		15,731,862	5,042,938
		21,623,912	22,700,829
<b>TOTAL ASSETS</b>		<b>21,673,912</b>	<b>22,750,829</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised Capital</b>			
12,000,000 (June 2020: 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
Reserve		(98,292,861)	(97,193,077)
		21,457,539	22,557,323
<b>CURRENT LIABILITIES</b>			
Trade and other payables		216,373	193,506
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,673,912</b>	<b>22,750,829</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			

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

  
**FARRUKH SHAFIQ**  
 Chief Executive

  
**MUHAMMAD SARFRAZ**  
 Director


  
**SOHAIL AHMED**  
 Chief Financial Officer

**Haji Mohammad Ismail Mills Limited**  
**Statement of Profit or Loss**  
**For the Half Year ended December 31, 2020 (Un-audited)**


	Note	Half year ended		Quarter ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Operating expenses</b>					
Administrative expenses		(1,325,529)	(1,319,302)	(699,958)	(673,731)
		<u>(1,325,529)</u>	<u>(1,319,302)</u>	<u>(699,958)</u>	<u>(673,731)</u>
<b>Operating loss</b>					
Other expenses		-	(20,218,733)	-	(5,408,788)
Other income		234,313	227,112	25,065	205,639
		<u>(1,091,216)</u>	<u>(21,310,923)</u>	<u>(674,893)</u>	<u>(5,876,880)</u>
Finance cost		<u>(6,521)</u>	<u>(35)</u>	<u>(6,521)</u>	<u>-</u>
<b>(Loss) before taxation</b>		<b>(1,097,737)</b>	<b>(21,310,958)</b>	<b>(681,414)</b>	<b>(5,876,880)</b>
Taxation	7	-	(18,787)	-	(16,553)
<b>(Loss) after taxation</b>		<b><u>(1,097,737)</u></b>	<b><u>(21,329,745)</u></b>	<b><u>(681,414)</u></b>	<b><u>(5,893,433)</u></b>
(Loss) per share - basic and diluted		<b><u>(0.09)</u></b>	<b><u>(1.78)</u></b>	<b><u>(0.06)</u></b>	<b><u>(0.49)</u></b>

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

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**FARRUKH SHAFIQ**  
 Chief Executive

  
**MUHAMMAD SARFRAZ**  
 Director

  
**SOHAIL AHMED**  
 Chief Financial Officer

**Haji Mohammad Ismail Mills Limited**  
**Statement of Comprehensive Income**  
**For the Half Year ended December 31, 2020 (Un-audited)**

Half year ended		Quarter ended	
December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Rupees		Rupees	

Loss after taxation	(1,097,737)	(21,329,745)	(681,414)	(5,893,433)
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**Other comprehensive income**

**Items that may be reclassified subsequently to profit or loss**

Loss on re-measurement on investments available for sale to fair value - net of tax

Re-classification of un realized gain/(loss) on investments available for sale to fair value - net of tax

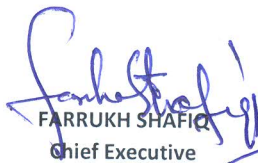
-	20,476,485	-	7,053,628
(2,047)	-	-	-

**Total comprehensive loss**

(1,099,784)	(853,260)	(681,414)	1,160,195
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The annexed notes form an integral part of these financial statements.

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**FARRUKH SHAFIQ**  
 Chief Executive

  
**MUHAMMAD SARFRAZ**  
 Director

  
**SOHAIL AHMED**  
 Chief Financial Officer

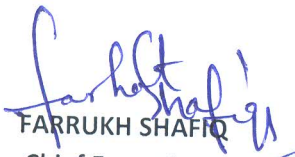


**Haji Mohammad Ismail Mills Limited**  
**Statement of Cash Flow**  
**For the Half Year ended December 31, 2020 (Un-audited)**

	Note	December 31, 2020 Rupees	December 31, 2019 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(1,097,737)	(21,310,958)
<b>Adjustments for:</b>			
Finance cost		6,521	35
Fair value adjustment of investment		(2,047)	20,476,485
		4,474	20,476,520
Loss before working capital changes		(1,093,263)	(834,438)
<b>Decrease in current assets:</b>			
Short term investment - net		11,860,842	212,980
Other receivables		(70,000)	(62,457)
		11,790,842	150,523
<b>Decrease in current liabilities:</b>			
Trade and other payables		22,867	22,739
<b>Cash generated from/(used in) operations</b>		<b>10,720,446</b>	<b>(661,176)</b>
Taxes paid		(25,001)	(29,420)
Finance cost paid		(6,521)	(35)
		(31,522)	(29,455)
<b>Net cash generated from/(used in) operating activities</b>		<b>10,688,924</b>	<b>(690,631)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>10,688,924</b>	<b>(690,631)</b>
Cash and cash equivalents at beginning of the year		5,042,938	6,543,601
<b>Cash and cash equivalents at end of the period</b>		<b>15,731,862</b>	<b>5,852,970</b>

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

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**FARRUKH SHAFIQ**  
 Chief Executive

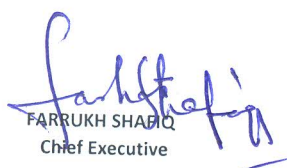
  
**MUHAMMAD SARFRAZ**  
 Director

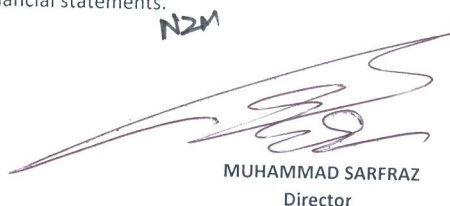
  
**SOHAIL AHMED**  
 Chief Financial Officer

**Haji Mohammad Ismail Mills Limited**  
**Statement of Changes in Equity**  
**For the Half Year Ended December 31, 2020 (Un-audited)**

	Issued, subscribed and paid-up capital	Reserves				Total
		Capital		Revenue		
		Share premium	Fair value reserve (Loss)	Accumulated loss	Sub total	
Balance as at July 01, 2019	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 - net of tax	-	-	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)
Balance as at December 31, 2019	119,750,400	6,912,000	(34,662)	(103,178,020)	(96,300,682)	23,449,718
Balance as at July 01, 2020	119,750,400	6,912,000	(32,615)	(104,072,462)	(97,193,077)	22,557,323
Loss for the year	-	-	-	(1,097,737)	(1,097,737)	(1,097,737)
Other comprehensive income for the year - net of tax	-	-	(2,047)	-	(2,047)	(2,047)
Total Comprehensive loss for the period	-	-	(2,047)	(1,097,737)	(1,099,784)	(1,099,784)
Balance as at December 31, 2020	119,750,400	6,912,000	(34,662)	(105,170,199)	(98,292,861)	21,457,539

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

  
**FARRUKH SHAFIQ**  
 Chief Executive

  
**MUHAMMAD SARFRAZ**  
 Director

  
**SOHAIL AHMED**  
 Chief Financial Officer

**Haji Mohammad Ismail Mills Limited**  
**Notes to the Condensed Financial Statements**  
**For the Half Year Ended December 31, 2020 (Un-audited)**

**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**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International accounting standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2020.

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The comparative condensed statement of financial position presented in these condensed interim financial statements have been extracted from the audited annual financial statements of the Company for the year ended June 30, 2020 whereas the cash flows and condensed statement changes in equity are extracted from the unaudited condensed interim financial statements for the period ended December 31, 2019.

These condensed interim financial statements are un-audited and are submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

### 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, 2020.

### 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, 2020.

### 5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	(Unaudited) December 31, 2020	(Audited) June 30, 2020
9,576,240 (June 30, 2020: 9,576,240) Ordinary shares of Rs.10 each fully paid in cash	95,762,400	95,762,400
2,398,800 (June 30, 2020 : 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 2020 (June 2020: NIL)

### 7 TAXATION

Current

	(Unaudited) December 31, 2020	(Unaudited) December 31, 2019
	-	18,787


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8 DATE OF AUTHORISATION FOR ISSUE

This financial information has been authorized for issue on 25-02-2021 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

  
SOHAIL AHMED  
Chief Financial Officer