

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

## 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 <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.: E-mail: Website	92-21-32638521-3 <a href="mailto:info@hmiml.com">info@hmiml.com</a> <a href="http://www.hmiml.com">www.hmiml.com</a>	
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 2<sup>nd</sup> quarter/half year ended 31<sup>st</sup> December, 2021.

**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.1,680,820/-

**4. Earnings per share**

The earning/(loss) per share for the period is Rs. (0.14)

**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 Officer Director

Karachi: Feb.24, 2022

حاجی محمد اسماعیل ملز لمیٹڈ

ڈائریکٹر ز رپورٹ برائے حصص یافتگان

کمپنی ڈائریکٹرز 31 دسمبر 2021 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. سال

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 1,680,820 روپے ہے۔

4. فی شیر آمدنی

رپورٹ کی مدت کے لئے فی حصص / (نقصان) 0.14 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۔ 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 کے مشکور ہیں۔

منجانب بورڈ آف ڈائریکٹرز  
Hafiz Shahid  
چیف ایگزیکٹو  
ڈائریکٹر

کراچی: 24 فروری، 2022





## 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, 2021 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, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

### 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 the facts that the management has disposed off the assets of the Company including land, building, plant and 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's ability to continue as a going concern.

*NZJ*

### Other Offices

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201-Regency Plaza, M.M. Alam Road, Gulberg-11, Lahore, Pakistan.. Ph: +92-42-35876891-94, Fax: +92-42-35764959, E-mail: lhr@nzaj.com.pk  
1st Floor, Lamsay Arcade, Opp. Green's Banquet Hall, Peshawar, Pakistan. Ph: +92-91-5276102, 5274995, Fax: 091-5274968, E-mail: pesh@nzaj.com.pk



The significance of matter discussed in preceding paragraph, leads 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, 2021 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 review resulting in this independent auditor's report is **Azeem H. Siddiqui**.

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*Naveed Zafar Ashfaq Jaffery & Co.*  
**Chartered Accountants**

Karachi

Dated: **24 FEB 2022**

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

		DECEMBER 31, 2021 (Un-audited) Rupees	JUNE 30, 2021 (Audited) Rupees
	Note		
<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	53,900
Advance tax - net of provision		929,160	924,493
Other receivables		881,323	886,323
Cash and bank balances		16,877,683	18,316,632
		<b>18,742,066</b>	<b>20,181,348</b>
<b>TOTAL ASSETS</b>		<b>18,792,066</b>	<b>20,231,348</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised Capital</b>			
12,000,000 ordinary shares of Rs. 10 each		<b>120,000,000</b>	<b>120,000,000</b>
Issued, subscribed and paid up capital	6	119,750,400	119,750,400
Reserves		(104,391,559)	(102,805,611)
		<b>15,358,841</b>	<b>16,944,789</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred Liabilities		3,218,052	3,086,386
<b>CURRENT LIABILITIES</b>			
Trade and other payables		215,173	200,173
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,792,066</b>	<b>20,231,348</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	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 HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

	Note	Half Year ended		Quarter ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		Rupees	Rupees Restated	Rupees	Rupees Restated
<b>Operating expenses</b>					
Administrative expenses		(1,711,486)	(1,523,288)	(945,643)	(798,838)
<b>Operating loss</b>		<u>(1,711,486)</u>	<u>(1,523,288)</u>	<u>(945,643)</u>	<u>(798,838)</u>
Other income		31,118	234,313	14,455	25,065
		<u>(1,680,368)</u>	<u>(1,288,975)</u>	<u>(931,188)</u>	<u>(773,773)</u>
Finance cost	8	(452)	(6,521)	-	(6,521)
<b>Loss before taxation</b>		<u>(1,680,820)</u>	<u>(1,295,496)</u>	<u>(931,188)</u>	<u>(780,294)</u>
<b>Taxation</b>		-	-	-	-
<b>Loss after taxation</b>		<u>(1,680,820)</u>	<u>(1,295,496)</u>	<u>(931,188)</u>	<u>(780,294)</u>
Loss per share - basic and diluted		<u>(0.14)</u>	<u>(0.11)</u>	<u>(0.08)</u>	<u>(0.07)</u>

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

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FARRUKH SHARIF  
Chief Executive

  
MUHAMMAD SARFRAZ  
Director

  
SOHAIL AHMED  
Chief Financial Officer

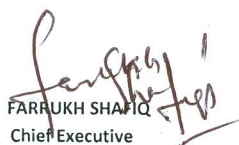


HAJI MOHAMMAD ISMAIL MILLS LIMITED  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

	Note	Half Year ended		Quarter ended	
		December 31, 2021 Rupees	December 31, 2020 Rupees Restated	December 31, 2021 Rupees	December 31, 2020 Rupees Restated
Loss after taxation		(1,680,820)	(1,295,496)	(931,188)	(780,294)
<b>Other comprehensive income / (loss)</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Gain/(loss) on re-measurement of staff retirement benefits		94,872	(176,341)	47,495	(88,171)
Loss on re-measurement on investments available for sale to fair value - net of tax		-	(2,047)	-	-
		94,872	(178,388)	47,495	(88,171)
<b>Total comprehensive loss</b>		<b>(1,585,948)</b>	<b>(1,473,884)</b>	<b>(883,693)</b>	<b>(868,465)</b>

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

12/11/21

  
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 HALF YEAR ENDED DECEMBER 31, 2021 (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)	22,228,360
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	-	-	-	(1,295,496)	(1,295,496)	(1,295,496)
Other comprehensive loss for the period-Restated	-	-	(178,388)	-	(178,388)	(178,388)
Total Comprehensive loss for the period-Restated	-	-	(178,388)	(1,295,496)	(1,473,884)	(1,473,884)
Balance as at December 31, 2020-Restated	119,750,400	6,912,000	(563,685)	(107,838,094)	(101,489,779)	18,260,621
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	-	-	-	(1,680,820)	(1,680,820)	(1,680,820)
Other comprehensive income for the period	-	-	94,872	-	94,872	94,872
Total Comprehensive loss for the period	-	-	94,872	(1,680,820)	(1,585,948)	(1,585,948)
Balance as at December 31, 2021	119,750,400	6,912,000	(102,965)	(111,200,594)	(104,391,559)	15,358,841

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

*By*

  
FARRUKH SHAHID  
Chief Executive

  
MUHAMMAD SARFRAZ  
Director

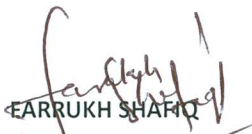
  
SOHAIL AHMED  
Chief Financial Officer

**Haji Mohammad Ismail Mills Limited**  
**Condensed Interim Statement of Cash Flows**  
**For the Half Year Ended December 31, 2021 (Un-audited)**

	Note	December 31, 2021 Rupees	December 31, 2020 Rupees Restated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(1,680,820)	(1,295,496)
<b>Adjustments for:</b>			
Finance cost		452	6,521
Fair value adjustment of investment		-	(2,047)
Staff retirement benefits- gratuity		226,538	197,759
		226,990	202,233
Loss before working capital changes		<b>(1,453,830)</b>	(1,093,263)
<b>Decrease/(Increase) in current assets:</b>			
Short term investment - net		-	11,860,842
Other receivables		5,000	(70,000)
		<b>5,000</b>	11,790,842
<b>Increase in current liabilities:</b>			
Trade and other payables		15,000	22,867
<b>Cash (used in) / generated from operations</b>		<b>(1,433,830)</b>	10,720,446
Taxes paid		(4,667)	(25,001)
Finance cost paid		(452)	(6,521)
		(5,119)	(31,522)
<b>Net cash (used in) / generated from operating activities</b>		<b>(1,438,949)</b>	10,688,924
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,438,949)</b>	10,688,924
Cash and cash equivalents at beginning of the period		18,316,632	5,042,938
<b>Cash and cash equivalents at end of the period</b>		<b>16,877,683</b>	15,731,862

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

12/2/21

  
**FARRUKH SHAHID**  
 Chief Executive

  
**MUHAMMAD SARFRAZ**  
 Director

  
**SOHAIL AHMED**  
 Chief Financial Officer

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021 (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.

*Wazir*



### 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.

	December 31, 2021 (Un-audited)	June 30,2021 (Audited)
<b>6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
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 Sua 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 December 31, 2021 (June 30, 2021: NIL).

	December 31, 2021 (Un-audited)	December 31, 2020 (Un-audited) Restated
<b>8 FINANCIAL COST</b> wzy	<u>452</u>	<u>6,521</u>

9 DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements have been authorised for issue on 21<sup>st</sup> Feb 2023 by the Board of Directors of the Company.

10 GENERAL

Figures have been rounded off to the nearest rupee.

Wing

  
FARRUKH SHAFIQ  
Chief Executive

  
MUHAMMAD SARFRAZ  
Director

  
SOHAIL AHMED  
Chief Financial Officer