

**HAJI MOHAMMAD ISMAIL MILLS
LIMITED**

UN-AUDITED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 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 1st quarter ended 30th September, 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.851,931/-

4. Earnings per share

The earning/(loss) per share for the period is Rs. (0.07)

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 through corporate restructuring. MOU was signed for new business plan. All the 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. Due to political uncertainty in the country investment opportunity is at halt. Management is still trying for the revival of the company through corporate restructuring or merger with prosperous investors/companies

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: Oct. 28, 2022

حاجی محمد اسماعیل ملز لمیٹڈ

ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی ڈائریکٹرز 30 ستمبر، 2022 کو ختم ہونے والی پہلی سرمایہ 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 851,931 روپے ہے۔

4. فی شیر آمدنی

رپورٹ کی مدت کے لئے فی حصص / (نقصان) 0.07 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 کمپنی کی بحالی کے لئے اپنی توجہ نئے کاروباری رجحان کی طرف کی ہوئی ہے بورڈ کی خواہش ہے کہ نئے بزنس پلان کو عملی جامع پہنا کر کمپنی کو بحال کیا جاسکے اسلئے کمپنی نے ایک معاہدہ پر دستخط کیے تھے۔ یہ تمام کوششیں رک گئیں جب SECP نے سندھ ہائی کورٹ میں کمپنی کو بند کرنے کی درخواست دائر کی۔ کمپنی کی انتظامیہ کیس کا دفاع کر رہی ہے۔ کیس ابھی تک سندھ ہائی کورٹ میں زیر سماعت ہے سیاسی عدم استحکام کی وجہ سے ملک میں سرمایہ کاری رکی ہوئی ہے کمپنی کی انتظامیہ اس کی بحالی کے لیے کوشش کر رہی ہے تاکہ کسی اچھی کمپنی یا اشخاص سے اشتراک ہو جائے۔

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۔

ڈائریکٹر

منہاج بورڈ آف ڈائریکٹرز
حاجی محمد اسماعیل ملز لمیٹڈ

کراچی: اکتوبر 28، 2022


Haji Mohammad Ismail Mills Limited
Statement of Financial Position
As at September 30, 2022

	Note	September 30, 2022 Rupees	JUNE 30, 2022 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		932,925	931,660
Other receivables		876,323	876,323
Cash and bank balances		14,645,599	15,245,029
		16,508,747	17,106,912
TOTAL ASSETS		16,558,747	17,156,912
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	5	119,750,400	119,750,400
Reserves		<u>(106,646,759)</u>	<u>(105,917,631)</u>
		13,103,641	13,832,769
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred Liabilities		3,131,333	3,122,343
CURRENT LIABILITIES			
Trade and other payables		323,773	201,800
TOTAL EQUITY AND LIABILITIES		16,558,747	17,156,912
CONTINGENCIES AND COMMITMENTS	6	-	-

The annexed notes from 1 to 9 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 first quarter ended September 30, 2022

	Note	September 30, 2022 Rupees	September 30, 2021 Rupees
Operating expenses			
Administrative expenses		(858,668)	(765,843)
Operating loss		<u>(858,668)</u>	<u>(765,843)</u>
Other income		8,432	16,663
		<u>(850,236)</u>	<u>(749,180)</u>
Finance cost	7	<u>(1,695)</u>	<u>(452)</u>
Loss before taxation		<u>(851,931)</u>	<u>(749,632)</u>
Taxation		-	-
Loss after taxation		<u><u>(851,931)</u></u>	<u><u>(749,632)</u></u>
Loss per share - basic and diluted		<u><u>(0.07)</u></u>	<u><u>(0.06)</u></u>

The annexed notes from 1 to 9 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 COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	September 30, 2022	September 30, 2021
Note	Rupees	Rupees
Loss after taxation	(851,931)	(749,632)
<u>Other comprehensive income</u>		
Items that may be reclassified subsequently to profit or loss		
Gain/(loss) on re-measurement of staff retirement benefits	122,803	47,377
	122,803	47,377
Total comprehensive loss	(729,128)	(702,255)

The annexed notes from 1 to 9 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 CASH FLOW
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

Note	September 30, 2022 Rupees	September 30, 2021 Rupees 0-Jan
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(851,931)	(749,632)
Adjustments for:		
Finance cost	1,695	452
Staff retirement benefits- gratuity	131,793	113,269
	133,488	113,721
Loss before working capital changes	(718,443)	(635,911)
Decrease/(Increase) in current assets:		
Other receivables	-	5,000
	-	5,000
Increase in current liabilities:		
Trade and other payables	121,973	-
Cash generated from/(used in) operations	(596,470)	(630,911)
Taxes paid	(1,265)	(2,499)
Finance cost paid	(1,695)	(452)
	(2,960)	(2,951)
Net cash generated from/ (used in) operating activities	(599,430)	(633,862)
Net increase/(decrease) in cash and cash equivalents	(599,430)	(633,862)
Cash and cash equivalents at beginning of the period	15,245,029	18,316,632
Cash and cash equivalents at end of the period	14,645,599	17,682,770

The annexed notes from 1 to 9 form an integral part of these financial statements.


FARRUKH SHAFIQ
 Chief Executive


MUHAMMAD SARFRAZ
 Director

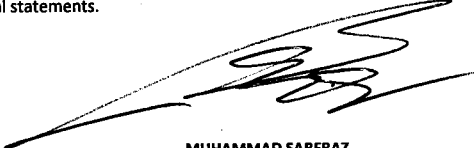

SOHAIL AHMED
 Chief Financial Officer

HAJI MOHAMMAD ISMAIL MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	Reserves				Sub total	Total
	Capital		Revenue			
	Issued, subscribed and paid-up capital	Share premium	Fair value reserve (Loss)	Accumulated loss		
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	-	-	-	(749,632)	(749,632)	(749,632)
Other comprehensive income for the period	-	-	47,377	-	47,377	47,377
Total Comprehensive loss for the period	-	-	47,377	(749,632)	(702,255)	(702,255)
Balance as at September 30, 2021	<u>119,750,400</u>	<u>6,912,000</u>	<u>(150,460)</u>	<u>(110,269,406)</u>	<u>(103,507,866)</u>	<u>16,242,534</u>
Balance as at July 01, 2022	<u>119,750,400</u>	<u>6,912,000</u>	<u>293,376</u>	<u>(113,123,007)</u>	<u>(105,917,631)</u>	<u>13,832,769</u>
Loss for the period	-	-	-	(851,931)	(851,931)	(851,931)
Other comprehensive income for the period	-	-	122,803	-	122,803	122,803
Total Comprehensive loss for the period	-	-	122,803	(851,931)	(729,128)	(729,128)
Balance as at September 30, 2022	<u>119,750,400</u>	<u>6,912,000</u>	<u>416,179</u>	<u>(113,974,938)</u>	<u>(106,646,759)</u>	<u>13,103,641</u>

The annexed notes from 1 to 9 form an integral part of these financial statements.


FARUKH SMAFIQ
 Chief Executive


MUHAMMAD SARFRAZ
 Director


SOHAIL AHMED
 Chief Financial Officer

HAJI MOHAMMAD ISMAIL MILLS LIMITED

NOTES TO THE CONDENSED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a Private Limited Company on February 5, 1980 under the then Companies Act, 1913 and subsequently converted into 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 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 the Memorandum of Association 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 this 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, 2022.

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, 2022.

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, 2022.

	(Unaudited) September 30, 2022	(Audited) June 30,2022
5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
9,576,240 (June 30,2022: 9,576,240) Ordinary shares of Rs.10 each fully paid in cash	95,762,400	95,762,400
2,398,800 (June 30,2022 : 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

SECP issued order on 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 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 September 2022 (June 2022: NIL)

7 FINANCIAL COST	<u>1695</u>	<u>452</u>
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8 DATE OF AUTHORISATION FOR ISSUE

These financial information have been authorised for issue on October 28, 2022 by the Board of Directors of the Company

9 GENERAL

Figures have been rounded off to the nearest rupee.


FARRUKH SHAEED
Chief Executive


MUHAMMAD SARFRAZ
Director


SOHAIL AHMED
Chief Financial Officer