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**HAJI MOHAMMAD ISMAIL MILLS  
LIMITED**

**UN-AUDITED FINANCIAL STATEMENTS**

**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

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**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 30<sup>th</sup> September, 2023.

**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.1,329,357/-

**4. Earnings per share**

The earning/(loss) per share for the period is Rs. (0.11)

**5. Financial position**

There is no outstanding trading 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

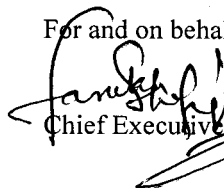
**7. Code of Corporate Governance**

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

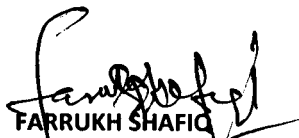
  
Director

Karachi: October. 27, 2023

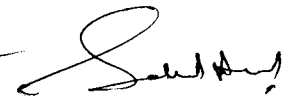
**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2023**

	Note	September 30, 2023 Rupees	JUNE 30, 2023 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	53,900
Advance tax - net of provision		939,411	937,594
Other receivables		876,323	876,323
Cash and bank balances		11,109,650	12,154,442
		<b>12,979,284</b>	<b>14,022,259</b>
<b>TOTAL ASSETS</b>		<b>13,029,284</b>	<b>14,072,259</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		<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>(110,802,213)</u>	<u>(109,516,939)</u>
		<b>8,948,187</b>	<b>10,233,461</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred Liabilities		3,733,412	3,611,198
<b>CURRENT LIABILITIES</b>			
Trade and other payables		347,685	227,600
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,029,284</b>	<b>14,072,259</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	7	-	-

The annexed notes from 1 to 11 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, 2023**

		September 30, 2023	September 30, 2022
	Note	Rupees	Rupees
<b>Operating expenses</b>			
Administrative expenses		(1,344,183)	(858,668)
<b>Operating loss</b>		<u>(1,344,183)</u>	<u>(858,668)</u>
Other income		14,826	8,432
		<u>(1,329,357)</u>	<u>(850,236)</u>
Finance cost	8	-	(1,695)
<b>Loss before taxation</b>		<u>(1,329,357)</u>	<u>(851,931)</u>
<b>Taxation</b>		-	-
<b>Loss after taxation</b>		<u><u>(1,329,357)</u></u>	<u><u>(851,931)</u></u>
Loss per share - basic and diluted	9	<u><u>(0.11)</u></u>	<u><u>(0.07)</u></u>

The annexed notes from 1 to 11 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, 2023**

	September 30, 2023 Rupees	September 30, 2022 Rupees
<b>Loss after taxation</b>	(1,329,357)	(851,931)
<b><u>Other comprehensive income</u></b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Gain/(loss) on re-measurement of staff retirement benefits	44,083	122,803
	44,083	122,803
<b>Total comprehensive loss</b>	<b>(1,285,274)</b>	<b>(729,128)</b>

The annexed notes from 1 to 11 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, 2023**

Note	September 30, 2023 Rupees	September 30, 2022 Rupees 0-Jan
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(1,329,357)	(851,931)
<b>Adjustments for:</b>		
Finance cost	-	1,695
Staff retirement benefits- gratuity	166,297	131,793
	<u>166,297</u>	<u>133,488</u>
Loss before working capital changes	<b>(1,163,060)</b>	<b>(718,443)</b>
<b>Increase in current liabilities:</b>		
Trade and other payables	120,085	121,973
<b>Cash generated from/(used in) operations</b>	<b>(1,042,975)</b>	<b>(596,470)</b>
Taxes paid	(1,817)	(1,265)
Finance cost paid	-	(1,695)
	<u>(1,817)</u>	<u>(2,960)</u>
<b>Net cash generated from/ (used in) operating activities</b>	<b>(1,044,792)</b>	<b>(599,430)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,044,792)</b>	<b>(599,430)</b>
Cash and cash equivalents at beginning of the period	12,154,442	15,245,029
<b>Cash and cash equivalents at end of the period</b>	<b>11,109,650</b>	<b>14,645,599</b>

The annexed notes from 1 to 11 form an integral part of these financial statements.

  
**FARRUKH SHAFIQ**  
 Chief Executive

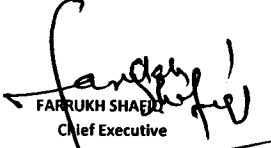
  
**MUHAMMAD SARFRAZ**  
 Director

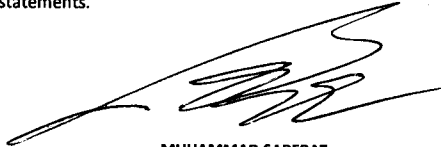
  
**SOHAIL AHMED**  
 Chief Financial Officer

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	Capital		Reserves		Sub total	Total
	Issued, subscribed and paid-up capital	Share premium	Revenue			
			Fair value reserve (Loss)	Accumulated loss		
<b>Balance as at July 01, 2022</b>	119,750,400	6,912,000	293,376	(113,123,007)	(105,917,631)	13,832,769
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)
<b>Balance as at September 30, 2022</b>	<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>
<b>Balance as at July 01, 2023</b>	119,750,400	6,912,000	469,709	(116,898,648)	(109,516,939)	10,233,461
Loss for the period	-	-	-	(1,329,357)	(1,329,357)	(1,329,357)
Other comprehensive income for the period	-	-	44,083	-	44,083	44,083
Total Comprehensive loss for the period	-	-	44,083	(1,329,357)	(1,285,274)	(1,285,274)
<b>Balance as at September 30, 2023</b>	<u>119,750,400</u>	<u>6,912,000</u>	<u>513,792</u>	<u>(118,228,005)</u>	<u>(110,802,213)</u>	<u>8,948,187</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.

  
**FARUKH SHAEED**  
 Chief Executive

  
**MUHAMMAD SARFRAZ**  
 Director

  
**SOHAIL AHMED**  
 Chief Financial Officer

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

**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 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 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.

**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 which 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 (the Act) and provisions of and directives issued under the Act.

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

These interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2023.



## 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 New standards, amendments to approved accounting standards and new interpretations

### 3.1.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2023

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

### 3.1.2 New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2023

There is a new standard and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting.

### 3.2 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended June 30, 2023.

## 4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied to financial statements as at and for the year ended June 30, 2023.

## 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, 2023.

## 6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	September 30, 2023	June 30, 2023
9,576,240 (June 30, 2023: 9,576,240) Ordinary shares of Rs.10 each fully paid in cash	95,762,400	95,762,400
2,398,800 (June 30, 2023 : 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 September 30, 2023 (June 30, 2023: NIL).

	September 30, 2023	September 30, 2022
8 FINANCIAL COST	-	1,695
9 EARNINGS PER SHARE - BASIC AND DILUTED]		

	Quarter ended	
	September 30, 2023	September 30, 2022
	Rupees	Rupees
Loss after taxation (Rupees)	<u>(1,329,357)</u>	<u>(851,931)</u>
Weighted average number of ordinary shares outstanding at the end of the period	<u>11,975,040</u>	<u>11,975,040</u>
Loss per share - basic and diluted (Rupees)	<u>(0.11)</u>	<u>(0.07)</u>

### 10 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on October 27, 2023 by the

### 11 GENERAL

Figures have been rounded off to the nearest rupee.

  
FARRUKH SARAF  
Chief Executive

  
MUHAMMAD SARFRAZ  
Director

  
SUHAIL AHMED  
Chief Financial Officer

## حاجی محمد اسماعیل ملز لمیٹڈ

### ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی ڈائریکٹرز 30 ستمبر، 2023 کو ختم ہونے والی پہلی سہ ماہی 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 1,329,357 روپے ہے۔

#### 4. فی شیر آمدنی

رپورٹ کی مدت کے لئے فی حصص / نقصان) 0.11 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 تا کہ 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

منجانب بورڈ آف ڈائریکٹرز

ڈائریکٹر

چیف ایگزیکٹو

کراچی: اکتوبر، 2023، 27