

**HAJI MOHAMMAD ISMAIL MILLS
LIMITED**

CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

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 Beamont 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 reviewed financial statement for the 2nd quarter/half year ended 31st December, 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 Rs2,383,918/-

4. Earnings per share

The earning/(loss) per share for the period is Rs(0.20)

5. Financial position

There is no outstanding trading liability against the company. The company is presently involve 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. A 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 of Sindh. Due to political uncertainty in the country, investment opportunity is at halt. Managing is still trying for the revival of the company through corporate restructuring or merger with prosperous companies/investors.

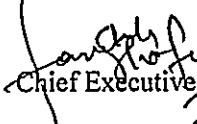
7. Code of Corporate Governance

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: Feb.27, 2024

حاجی محمد اسماعیل ملز لمیٹڈ

ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والی دوسری سہ ماہی/ نصف سال کے لئے غیر آڈٹ شدہ/ نظر ثانی 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 ہوئی۔ گزشتہ سال بھی یہی حالت تھی۔

2. مجموعی منافع
اس مدت کے لئے کمپنی کو کوئی مجموعی منافع / (نقصان) نہیں ہوا۔

3. پری ٹیکس نقصان
رپورٹ کی مدت کے لئے کمپنی کا پری ٹیکس نقصان 2,383,918 روپے ہے۔

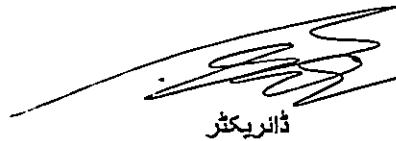
4. فی شیر آمدنی
رپورٹ کی مدت کے لئے فی حصص / (نقصان) 0.20 روپے ہے۔

5. مالیاتی پوزیشن
کمپنی کے ذمہ کوئی بقایا جات نہیں ہیں۔ 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 لیے نئی کاروباری چہتوں پر توجہ مرکوز کی۔ نئے کاروباری منصوبے کے لیے ایم او یو پر دستخط کیے گئے۔ مذکورہ بالا تمام کوششیں سندھ ہائی کورٹ میں ایس ای سی پی کی جانب سے وائٹنگ اپ پٹیشن دائر کرنے کی وجہ سے رک گئیں۔ کمپنی انتظامیہ کیس کا دفاع کر رہی ہے۔ معاملہ سندھ ہائی کورٹ میں زیر سماعت ہے۔ ملک میں سیاسی غیر یقینی کی وجہ سے سرمایہ کاری کے مواقع رکے ہوئے ہیں۔ انتظام اب بھی کارپوریٹ تنظیم نو یا خوشحال کمپنیوں/ سرمایہ کاروں کے ساتھ انضمام کے ذریعے کمپنی کی بحالی کی کوشش کر رہی 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۔


ڈائریکٹر

انجانب بورڈ آف ڈائریکٹرز
چیف ایگزیکٹو
کراچی، فروری، 2024، 27

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Haji Mohammad Ismail Mills Limited
Report on review of Condensed 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, 2023 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed 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, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

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 condensed 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's ability to continue as a going concern.

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, 2023 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-FCA

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Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Karachi

Dated : February 27, 2024

UDIN : RR202310232efO43uCKk

HAJI MOHAMMAD ISMAIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	DECEMBER 31, 2023 (Un-audited) Rupees	JUNE 30, 2023 (Audited) 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		942,869	937,594
Other receivables		876,323	876,323
Cash and bank balances		10,233,840	12,154,442
		12,106,932	14,022,259
TOTAL ASSETS		12,156,932	14,072,259
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Share Capital			
12,000,000 ordinary shares of Rs. 10 each		120,000,000	120,000,000
Issued, subscribed and paid up capital	6	119,750,400	119,750,400
Reserves		(111,812,690)	(109,516,939)
		7,937,710	10,233,461
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred Liabilities		3,855,625	3,611,198
CURRENT LIABILITIES			
Trade and other payables		363,597	227,600
TOTAL EQUITY AND LIABILITIES		12,156,932	14,072,259
CONTINGENCIES AND COMMITMENTS	7	-	-

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

7.


FARRUKH SHAFIQ
Chief Executive


MUHAMMAD SARFRAZ
Director


SOHAIL AHMED
Chief Financial Officer

HAJI MOHAMMAD ISMAIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	Half Year ended		Quarter ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		Rupees	Rupees	Rupees	Rupees
Operating expenses					
Administrative expenses		(2,421,427)	(1,720,181)	(1,077,244)	(861,513)
Operating loss		<u>(2,421,427)</u>	<u>(1,720,181)</u>	<u>(1,077,244)</u>	<u>(861,513)</u>
Other income		37,876	18,350	23,050	9,918
		<u>(2,383,551)</u>	<u>(1,701,831)</u>	<u>(1,054,194)</u>	<u>(851,595)</u>
Finance cost	8	<u>(367)</u>	<u>(1,695)</u>	<u>(367)</u>	<u>-</u>
Loss before taxation		<u>(2,383,918)</u>	<u>(1,703,526)</u>	<u>(1,054,561)</u>	<u>(851,595)</u>
Taxation		-	-	-	-
Loss after taxation		<u>(2,383,918)</u>	<u>(1,703,526)</u>	<u>(1,054,561)</u>	<u>(851,595)</u>
Loss per share - basic and diluted	9	<u>(0.20)</u>	<u>(0.14)</u>	<u>(0.09)</u>	<u>(0.07)</u>

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


FARRUKH SHAFIQ
 Chief Executive


MUHAMMAD SARFRAZ
 Director

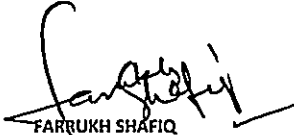

SOHAIL AHMED
 Chief Financial Officer

HAJI MOHAMMAD ISMAIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half Year ended		Quarter ended	
	December 31, 2023 Rupees	December 31, 2022 Rupees	December 31, 2023 Rupees	December 31, 2022 Rupees
Loss after taxation	(2,383,918)	(1,703,526)	(1,054,561)	(851,595)
<u>Other comprehensive income</u>				
Items that will not be reclassified subsequently to profit or loss				
Gain on re-measurement of staff retirement benefits	88,167	245,607	44,084	122,804
	88,167	245,607	44,084	122,804
Total comprehensive loss	<u>(2,295,751)</u>	<u>(1,457,919)</u>	<u>(1,010,477)</u>	<u>(728,791)</u>

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

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FARRUKH SHAFIQ
 Chief Executive


MUHAMMAD SARFRAZ
 Director


SOHAIL AHMED
 Chief Financial Officer

HAJI MOHAMMAD ISMAIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Reserves			Sub total	Total	
	Capital	Revenue				
	Share premium	Fair value reserve (Loss)/profit	Accumulated loss			
Issued, subscribed and paid-up capital						
Balance as at July 01, 2022	119,750,400	6,912,000	293,376	(113,123,007)	(105,917,631)	13,832,769
Loss for the period	-	-	-	(1,703,526)	(1,703,526)	(1,703,526)
Other comprehensive Income for the period	-	-	245,607	-	245,607	245,607
Total Comprehensive loss for the period	-	-	245,607	(1,703,526)	(1,457,919)	(1,457,919)
Balance as at December 31, 2022	<u>119,750,400</u>	<u>6,912,000</u>	<u>538,983</u>	<u>(114,826,533)</u>	<u>(107,375,550)</u>	<u>12,374,850</u>
Balance as at July 01, 2023	119,750,400	6,912,000	469,709	(116,898,648)	(109,516,939)	10,233,461
Loss for the period	-	-	-	(2,383,918)	(2,383,918)	(2,383,918)
Other comprehensive Income for the period	-	-	88,167	-	88,167	88,167
Total Comprehensive loss for the period	-	-	88,167	(2,383,918)	(2,295,751)	(2,295,751)
Balance as at December 31, 2023	<u>119,750,400</u>	<u>6,912,000</u>	<u>557,876</u>	<u>(119,282,566)</u>	<u>(111,812,690)</u>	<u>7,937,710</u>

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


FARUKH SHAIQ
 Chief Executive


MUHAMMAD SARFRAZ
 Director



SOHAIL AHMED
 Chief Financial Officer

HAJI MOHAMMAD ISMAIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	December 31, 2023 Rupees	December 31, 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,383,918)	(1,703,526)
Adjustments for:		
Finance cost	367	1,695
Staff retirement benefits - gratuity	332,594	263,585
	332,961	265,280
Loss before working capital changes	(2,050,957)	(1,438,246)
Increase in current liabilities:		
Trade and other payables	135,997	136,585
Cash (used in) operations	(1,914,960)	(1,301,661)
Taxes paid	(5,275)	(2,753)
Finance cost paid	(367)	(1,695)
	(5,642)	(4,448)
Net cash (used in) operating activities	(1,920,602)	(1,306,109)
Net (decrease) in cash and cash equivalents	(1,920,602)	(1,306,109)
Cash and cash equivalents at beginning of the period	12,154,442	15,245,029
Cash and cash equivalents at end of the period	10,233,840	13,938,920

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


FARRUKH SRAFIQ
 Chief Executive


MUHAMMAD SARFRAZ
 Director


SOHAIL AHMED
 Chief Financial Officer

HAJI MOHAMMAD ISMAIL MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 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** In the mean time, the Securities and Exchange Commission of Pakistan filed a petition during 2017 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

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.

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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, 2022 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.

	December 31, 2023 (Un-audited)	30-Jun-23 (Audited)
6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
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 December 31, 2023 (June 30, 2023: NIL).

	December 31, 2023 (Un-audited)	December 31, 2022 (Un-audited)
8 FINANCIAL COST	<u>367</u>	<u>1,695</u>
9 EARNINGS PER SHARE - BASIC AND DILUTED]		

	Half Year ended		Quarter ended	
	December 31, 2023 Rupees	December 31, 2022 Rupees	December 31, 2023 Rupees	December 31, 2022 Rupees
Loss after taxation (Rupees)	<u>(2,383,918)</u>	<u>(1,703,526)</u>	<u>(1,054,561)</u>	<u>(851,595)</u>
Weighted average number of ordinary shares outstanding at the end of the period	<u>11,975,040</u>	<u>11,975,040</u>	<u>11,975,040</u>	<u>11,975,040</u>
Loss per share - basic and diluted (Rupees)	<u>(0.20)</u>	<u>(0.14)</u>	<u>(0.09)</u>	<u>(0.07)</u>

10 DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements have been authorised for issue on

27 FEB 2024

by the Board of Directors of the Company.

11 GENERAL

Figures have been rounded off to the nearest rupee.


FARRUKH SHAFIQ
Chief Executive


MUHAMMAD SARFRAZ
Director


SOHAIL AHMED
Chief Financial Officer