HAJI MOHAMMAD ISMAIL MILLS LIMITED

CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

HAJI MOHAMMAD ISMAIL MILLS LIMITED

COMPANY INFORMATION

Board of Directors	Mr. Gulzar Siddiq	Chairman/Independent
	Mr. Najeeb Mushtaq Vohra	Chief Executive/ Director
	Mr. Muhammad Sarfraz	Director/Non Executive
	Mr.Noman Mustafa Zuberi	Director/Non Executive
	Mr. Mohammad Sadiq-	Director/ Non Executive
	Mr. Mohammad Irfan	Director/ Non Executive
	Mr. Farrukh Shafiq	Director/Independent
Audit Committee	Mr. Farrukh Shafiq	Chairman
	Mr. Mohammad Irfan	Member
	Mr. Noman Mustafa Zuberi	Member
Human Resource & Remuneration Committee.	Mr.Muhammad Sarfraz	Chairman
	Mr.Muhammad Sadiq	Member
	Mr.Mohammad Irfan	Member
Chief Financial Officer	Mr. Suhail Ahmed	
Company Secretary	Mr. Muhammad Sarfraz	
Auditors	Naveed Zafar Ashfaq Jaffery & Co Chartered Accountants 1st 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 408-Commerce Centre, Hasrat Mohani Road. Karachi-74200	
Registered office	409-Commerce Centre, Hasrat Mohani Road, Karachi-74200	
Phone No.:	92-21-32638521-3	
Fax No.:	92-21-32639843	
E-mail:	info@hmiml.com	
Website	www.hmiml.com	

Business:	Distributor of fast moving Consumers goods.
Status of Company	Public listed company (SSC)
Company Registration No.	K-0007483
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 3rd quarter ended 31st March, 2017.

1. **Sales**

   There is no sale/purchase or manufacturing activity during the period as compared to the corresponding period sale of Rs. Nil

2. **Gross profit**

   The company has no gross profit/(loss) for the period.

3. **Pre-Tax profit**

   Company's pretax profit for the reported period is Rs.7.2 million.

4. **Earnings per share**

   The earning per share for the period is Rs 0.54

5. **Financial position**

   Due to small trading activity, financial position of the company is improving slightly.

6. **Current and future summary and prospects**

   Business dimension of the company has been changed from textile spinning and power generation to distribution agencies of fast moving consumers' goods and its sale. These steps have been taken towards revival plan of the company. Company has signed a MOU with a meat and food chain company for distribution and sale of its products. Funds are being arranged for implementation of new business plan. Board is also looking prosperous investors or corporate restructuring of the company to implement the business plan.

   Arrangements are being made for movement of frozen items and suitable outlets for sale of consumers' goods. Due to delay in implementation of new business plan and continued pressure by Securities & Exchange Commission of Pakistan (SECP) for protection of minority shareholders interest. Resultantly Directors/Sponsors have offered to buyback company's shares from minority shareholders. The company has notified the decision of the board to SECP and Pakistan Stock Exchange Limited on 7th April, 2017. SECP has issued winding up order of the company u/s.309 read with section 305 of the Companies Ordinance, 1984 on 13th April, 2017. The management is filing appeal against the order before the appropriate forum.

7. **Code of Corporate Governance**

   The company has taken necessary steps to comply with the provision of Code of Corporate Governance as incorporated in the regulations of the Pakistan Stock Exchange.

We appreciate the hard work of all the company's staff and the support of its bankers.

For and on behalf of the Board of Directors

Chief Executive
Karachi: April 24, 2017

HAJI MOHAMMAD ISMAIL MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2017 (UN-AUDITED)

	Note	March 31, 2017 Rupees (Un-Audited)	June 30, 2016 Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Long term deposits		**50,000**	50,000
Deffered tax		**705,202**	-
CURRENT ASSETS			
Short term investments		**25,378,175**	15,069,888
Advances income tax		**1,588,607**	1,575,719
Trade deposits		-	200,000
Other receivables		**6,798,533**	9,959,501
Cash and bank balances		**16,833,582**	23,481,994
		50,598,897	50,287,102
TOTAL ASSETS		**51,354,099**	50,337,102
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
12,000,000 (2016: 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
Accumulated loss		**(68,490,096)**	(70,815,003)
		51,260,304	48,935,397
LONG TERM LIABILITIES			
Deferred Tax		-	33,382
CURRENT LIABILITIES			
Trade and other payables		**93,795**	1,368,323
TOTAL EQUITY AND LIABILITIES		**51,354,099**	50,337,102
CONTINGENCIES AND COMMITMENTS	6		

The annexed notes form an integral part of these condensed financial information.

CHIEF EXECUTIVE

DIRECTOR

HAJI MOHAMMAD ISMAIL MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

	Note	Nine months ended March 31, 2017 Rupees	Nine months ended March 31, 2016 Rupees	Quarter ended March 31, 2017 Rupees	Quarter ended March 31, 2016 Rupees
Administrative expenses		**(2,070,486)**	(1,215,399)	**(881,312)**	(367,466)
Opertaing loss		**(2,070,486)**	(1,215,399)	**(881,312)**	(367,466)
Other income		**9,301,843**	2,031,906	**4,221,036**	(782,630)
		7,231,357	816,507	**3,339,724**	(1,150,096)
Finance cost		**(2,633)**	(1,808)	**(1,283)**	(228)
Profit before taxation		**7,228,724**	814,699	**3,338,441**	(1,150,324)
Taxation	7	**(718,508)**	**(276,298)**	**(441,590)**	121,958
Profit after taxation		**6,510,216**	538,401	**2,896,851**	(1,028,366)
Earning per share - basic and diluted		**0.54**	0.04	**0.50**	(0.09)

The annexed notes form an integral part of these condensed financial information.

CHIEF EXECUTIVE

DIRECTOR

HAJI MOHAMMAD ISMAIL MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

	Note	Nine months ended		Quarter ended	
		March 31, 2017 Rupees	March 31, 2016 Rupees	March 31, 2017 Rupees	March 31, 2016 Rupees
Profit after taxation		**6,510,216**	**538,401**	**2,896,851**	**(1,028,366)**
Other Comprehensive income for the period					
(Loss) / gain on re-measurement on investments available for sale to fair vaue - net of tax		**(4,185,309)**	(3,182,800)	**(3,977,426)**	(1,553,702)
Total comprehensive Profit/(Loss) for the period		**2,324,907**	(2,644,399)	**(1,080,575)**	(2,582,068)

The annexed notes form an integral part of these condensed financial information.

CHIEF EXECUTIVE

DIRECTOR

HAJI MOHAMMAD ISMAIL MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

	Nine months ended	
	March 31, 2017 Rupees	March 31, 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,228,724	814,699
Adjustments for:		
Finance cost	2,633	1,808
Fair value adjustment of investment	(4,923,893)	(3,751,569)
	(4,921,260)	(3,749,761)
Profit before working capital changes	2,307,464	(2,935,062)
(Increase) / Decrease in current assets:		
Short term investment - net	(10,308,287)	1,679,807
Other receivables	3,160,968	3,920,350
	(6,947,319)	5,600,157
(Decrease) in current liabilities:		
Trade creditors, accrued and other liabilities	(1,274,528)	(1,443,248)
Cash (used in) /generated from operations	(5,914,383)	1,221,847
Taxes paid	(731,396)	(279,941)
Finance cost paid	(2,633)	(1,808)
	(734,029)	(281,749)
Net cash (used in) /generated from operating activities	(6,648,412)	940,098
Net (decrease) / increase in cash and cash equivalents	(6,648,412)	940,098
Cash and cash equivalents at beginning of the period	23,481,994	705,993
Cash and cash equivalents at end of the period	16,833,582	1,646,091

The annexed notes form an integral part of these condensed financial information.

CHIEF EXECUTIVE

DIRECTOR

HAJI MOHAMMAD ISMAIL MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Reserves				Total
		Capital		Revenue		
		Share premium	Fair value reserve	Accumulated Losses	Sub total	
	Rupees					
Balance as at July 01, 2015	119,750,400	6,912,000	(211,186)	(76,108,815)	(69,408,001)	50,342,399
Profit for the period	-	-	-	538,401	538,401	538,401
Other comprehensive loss for the period	-	-	(3,182,800)	-	(3,182,800)	(3,182,800)
Total comprehensive (loss) / income for the period	-	-	(3,182,800)	538,401	(2,644,399)	(2,644,399)
Balance as at March 31, 2016	119,750,400	6,912,000	(3,393,986)	(75,570,414)	(72,052,400)	47,698,000
Balance as at July 01, 2016	119,750,400	6,912,000	148,941	(77,875,944)	(70,815,003)	48,935,397
Profit for the period	-	-	-	6,510,216	6,510,216	6,510,216
Other comprehensive loss for the period - net of tax	-	-	(4,185,309)	-	(4,185,309)	(4,185,309)
Total Comprehensive (loss) / income for the Period	-	-	(4,185,309)	6,510,216	2,324,907	2,324,907
Balance as at March 31, 2017	**119,750,400**	**6,912,000**	**(4,036,368)**	**(71,365,728)**	**(68,490,096)**	**51,260,304**

The annexed notes form an integral part of these condensed financial information.

CHIEF EXECUTIVE

DIRECTOR

HAJI MOHAMMAD ISMAIL MILLS LIMITED
NOTES TO THE CONDENSED FINANCIAL INFORMATION
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017 (UN-AUDITED)

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan as a Private Limited Company on February 5, 1980 and subsequently converted to public limited company on October 15, 1987. Shares of the company were subsequently listed on the Pakistan Stock Exchange on November 29, 1994. The registered office of the company is situated at 409-Commerce Centre, Hasrat Mohani Road, Karachi 74200.

1.1 The Company has closed down its yarn manufacturing operation in October, 2007 and production activities remained suspended. The electric power generation and its sale were also suspended in August, 2012. The management has disposed off the assets of the Company including land, building, plant & machinery to pay off its major debts .

The management of the company has changed the business dimensions of the company from textile to fast moving consumers goods and distribution business. The management has prepared new business plan for distribution business itself or through merger, corporate restructuring or through prosperous investors for revival of the company. Sufficient funds are required to implement new business plan. The management is also negotiating with financial institutions for financing of the proposed business plan. In view of the new business dimensions, the company shall remain as a going concern company.

2 BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the nine monthsperiod ended March 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2016.

2.2 This condensed interim financial information is presented in Pak Rupees which is also the Company's functional currency and figures presented in this condensed interim financial information has been rounded off to the nearest rupee.

2.3 This condensed interim financial information is unaudited. However, a limited scope review of this condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of clause (xix) of the Code of Corporate Governance. This condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance 1984.

The comparative balance sheet has been extracted from audited annual financial statements of the company for the year ended June 30, 2016, whereas comparative condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the nine months ended March 31, 2017 have been extracted from the unaudited condensed interim financial information of the company for the nine month then ended March 31, 2016.

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, 2016.

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, 2016.

5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	(Unaudited) March 31, 2017	(Audited) June 30, 2016
9,576,240 (June 30, 2016: 9,576,240) Ordinary shares of Rs.10 each fully paid in cash	**95,762,400**	95,762,400
2,398,800 (June 30, 2016 : 2,398,800) Ordinary shares of Rs.10 each issued as fully paid bonus share	**23,988,000**	23,988,000
	119,750,400	119,750,400

6 CONTINGENCIES AND COMMITMENTS

Contingencies

Letter of guarantee issued	-	200,000

Commitments

There is no commitments as at March 31, 2017 (2016: NIL)

	(Unaudited) March 31, 2017	(Unaudited) March 31, 2016
7 TAXATION		
Current (W.H.Tax on Dividend and Capital gain)	**(718,508)**	(276,298)
	(718,508)	(276,298)

8 **DATE OF AUTHORISATION FOR ISSUE**

These financial information have been authorised for issue on April 24, 2017 by the Board of Directors of the Company.

9 **GENERAL**

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE **DIRECTOR**