QUARTERLY REPORT
FOR THE FIRST QUARTER ENDED
30TH SEPTEMBER 2013
(UN-AUDITED)

Haji Mohammad Ismail Mills Limited

Registered Office:
409, Commerce Centre, Hasrat Mohani Road, Karachi

HAJI MOHAMMAD ISMAIL MILLS LIMITED

COMPANY INFORMATION

Board of Directors	Mr. Najeeb Mushtaq Vohra – Chief Executive Mr. Mohammad Sarfraz- Executive Director Mr. Ikram Ahmed -Independent Mr. Mohammad Sadiq- Non Executive Mr. Mohammad Irfan –Executive Director Mr. Wazir Khan-Non Executive Mr.Essa Khan-Non Executive
Audit Committee	Mr. Mohammad Sadiq Mr. Mohammad Irfan Mr.Ikram Ahmed
Human Resource & Remuneration Committee.	Mr.Muhammad Sarfraz Mr.Muhammad Sadiq Mr.Wazir Khan
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 Askari Bank Limited National Bank of Pakistan
Share Registrar and Transfer Office	Najeeb Consultants (Pvt) Ltd 405-Commerce Centre, Hasrat Mohani Road. Karachi-74200
Registered office	409-Commerce Centre, Hasrat Mohani Road, Karachi-74200

HAJI MOHAMMAD ISMAIL MILLS LIMITED

DIRECTORS' REPORT TO THE MEMBERS OF THE COMPANY

The directors are pleased to present the un-audited accounts for the quarter ended September 30, 2013.

1. **Sales**
   The Company's sales for the quarter ended is Rs. Nil as compared to the corresponding period sale of Rs.1.587 million.

2. **Gross profit**
   The company's gross loss for the period is Rs. (Nil) million.

3. **Pre-Tax Loss**
   Company's pretax profit for the reported period is Rs. 0.168 million.

4. **Earning per share**
   The earning per share for the period is Rs. 0.01

5. **Financial position**
   The company has come out from the financial pressure after settlement of its liabilities with banks/financial institutions. After settlement with a remaining bank and creditors financial position of the company will slightly improve.

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

   Company has sold out its fixed assets and have settled the liabilities of the creditors except with a bank as the case is subjudice before High Court of Sindh and few creditors. We are negotiating with the said bank and are trying to resolve the issue amicably. After settlement, our CIB will be clear and we will be able to decide future business plan looking the available funds in hand. However we are trying to set up a power plant in the province of Sindh. We are negotiating with the financial institution and gas company for supply of gas for power plant.

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 Karachi 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: October 28, 2013

HAJI MOHAMMAD ISMAIL MILLS LIMITED
Balance Sheet
As at 30 September, 2013

	Note	(UN-AUDITED) September 2013 Rupees	(AUDITED) June 2013 Rupees
ASSETS			
Long term deposits		610,931	610,931
CURRENT ASSETS			
Trade debts		5,198,409	5,198,409
Short term investments	5	-	188,200
Loan and advances		1,377,090	1,323,998
Trade deposits and short term prepayments		200,000	5,900,000
Other receivables		6,474,396	4,274,396
Cash and bank balances		45,322,860	35,491,021
		58,572,755	52,376,024
TOTAL ASSETS		**59,183,686**	**52,986,955**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
12,000,000 (June,2013: 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		(75,594,049)	(75,762,908)
		44,156,351	43,987,492
CURRENT LIABILITIES			
Trade and other payables		9,865,349	3,837,477
Mark-up on loans		1,008,153	1,008,153
Current portion of long term loans		4,153,833	4,153,833
		15,027,335	8,999,463
CONTINGENCIES AND COMMITMENTS	7	-	-
TOTAL EQUITY AND LIABILITIES		**59,183,686**	**52,986,955**

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

Karachi: October 28,2013

HAJI MOHAMMAD ISMAIL MILLS LIMITED

Profit and Loss Account (un-audited)

For the period ended September 30, 2013

	Note	2013 Rupees	2012 Rupees
Sales		-	1,587,167
Cost of sales		-	(3,797,891)
Gross (loss)		-	(2,210,724)
Operating expenses			
Administrative expenses		(355,631)	(440,857)
Other income		526,230	785,929
Finance cost		(1,740)	(940)
		168,860	344,132
Profit/(Loss) before taxation		168,859	(1,866,592)
Taxation			
Current/Deferred		-	(16,697,410)
Profit/(Loss) after taxation		**168,859**	**(18,564,002)**
Earning/(Loss) per share-basic and diluted	8	**0.01**	**(1.55)**

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

HAJI MOHAMMAD ISMAIL MILLS LIMITED

Statement of Comprehensive Income

For the period ended September 30, 2013

	2013 Rupees	2012 Rupees
Profit/(loss) after taxation	168,859	(18,564,002)
Other comprehensive income	-	-
Total comprehensive Income/(loss) for the period	**168,859**	**(18,564,002)**

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

HAJI MOHAMMAD ISMAIL MILLS LIMITED

Statement of Changes in Equity

For the period ended September 30, 2013

	Issued subscribed and paid-up capital	Reserves			Total
		Capital	Revenue		
		Share premium	Accumulated Losses	Sub total	
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2012	119,750,400	6,912,000	(57,818,385)	(50,906,385)	68,844,015
Transferred from Surplus on revaluation on account of Incremental Depreciation charged in current period	-	-	89,510	89,510	89,510
Total Comprehensive (loss) for the period ended - 30.09.2012	-	-	(18,564,002)	(18,564,002)	(18,564,002)
Balance as at September 30, 2012	**119,750,400**	**6,912,000**	**(76,292,877)**	**(69,380,877)**	**50,369,523**
Balance as at July 01, 2013	119,750,400	6,912,000	(82,674,908)	(75,762,908)	43,987,492
Total Comprehensive Income for the period ended - 30.09.2013	-	-	168,859	168,859	168,859
Balance as at September 30, 2013	**119,750,400**	**6,912,000**	**(82,506,049)**	**(75,594,049)**	**44,156,351**

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

HAJI MOHAMMAD ISMAIL MILLS LIMITED

Cash Flow Statement

For the period ended September 30, 2013

	2013 Rupees	2012 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	168,859	(1,866,592)
Adjustments for non cash charges and other items		
Depreciation	-	265,973
Provision for gratuity	-	92,500
Finance cost	1,740	940
Fair value adjustment of investment	4,705	-
	6,445	359,413
Profit before working capital changes	175,304	(1,507,179)
(Increase)/decrease in current assets:		
Trade debts	-	(7,458,606)
Short term investment	183,495	-
Trade deposits and short term prepayments	5,700,000	-
Other receivables	(2,200,000)	-
	3,683,495	(7,458,606)
Increase / (decrease) in current liabilities:		
Trade creditors, accrued and other liabilities	6,027,873	(8,071,598)
Cash generated from operations	9,886,672	(17,037,383)
Payments for:		
Taxes paid	(53,093)	(161,049)
Finance cost paid	(1,740)	(940)
	(54,833)	(161,989)
Net cash (used in) /generated from operating activities	**9,831,839**	(17,199,371)
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase / (Decrease) in long term loan	-	18,635,000
Net cash (used in) from financing activities	-	18,635,000
Net increase /(decrease) in cash and cash equivalents	9,831,839	1,435,629
Cash and cash equivalents at beginning of the period	35,491,021	3,853,625
Cash and cash equivalents at end of the period	**45,322,860**	**5,289,254**

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

HAJI MOHAMMAD ISMAIL MILLS LIMITED

NOTES TO THE CONDENSED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013

1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan as a Private Limited Company on Feburary 5, 1980 and subsequently converted to a Public Limited Company on October 15, 1987. Shares of the company were subsequently listed on the Karachi Stock Exchange on November 29, 1994.Principal business of the Company is manufacture and sale of yarn and power generation.

1.2 The yarn production was suspended since October 01, 2007 due to heavy losses. Company has incurred income for the period ended september 30, 2013 of Rupees 0.168 (September 30, 2012: net loss of Rupees (18.56) million) and as of that date, reported accumulated loss is of Rupees (82.50) million (September 30, 2012: Rupees (76.29) million). Due to these adverse factors, default in payments, non-clearance of CIB report and court cases, bankers were reluctant to finance the company for modernization of machinery. On the other hand financial cost was mounting and there was pressure from the banks and financial institutions to clear their dues. Litigations were pending in the court. Looking the old age of machinery and closure of yarn manufacturing operation since July 2007 the machinery had become rusty. Management had no option but to sell the fixed assets and pay off the liabilities of the creditors. Deal has been finalized and and subsequently sold out the entire undertaking and liabilities of the creditors have been paid off except settlement with a bank as the case is subjudice before High Court of Sindh. We are negotiating with the said bank and are trying to resolve the issue amicably. After settlement with the bank our State bank CIB report would be clear. We will be able to decide our future business plan looking the avalable funds in hand.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company for the three months period ended September 30, 2013 is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting" and provisions of and directives issued by the Securities and Exchange Commission of Pakistan under the Companies Ordinance, 1984 (the Ordinance). This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the company as at and for the year ended June 30, 2013.

This interim financial information is being submitted to the shareholders as required by the Listing regulations of Karachi Stock Exchange and section 245 of the Companies Ordinances, 1984 .

2.2 Functional and presentation currency

These financial statements 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 and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2013.

Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards 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 historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2013.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2013.

5	**SHORT TERM INVESTMENTS**	(Unaudited) **September 30,2013**	(Audited) **June 30,2013**
	Held for trading:		
	Quoted:-		
	First Equity Modaraba 47,050 fully paid ordinary shares of Rs.10/- each	358,886	358,886
	Market value Rs. 183,495 (June 2013: Rs.188,200)		
	Less: (Provision for diminution in value of investments)/fair value adjustments	(175,391)	(170,686)
	Less: Sale during the period	(183,495)	-
		-	188,200

		(Unaudited) **September 30,2013**	(Audited) **June 30,2013**
6	**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**		
	9,576,240 (June 30,2013: 9,576,240) Ordinary shares of Rs.10 each fully paid in cash	95,762,400	95,762,400
	2,398,800 (June 30,2013 : 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

7 CONTINGENCIES AND COMMITMENTS

There is no major changes in contingencies and commitments as have been disclosed in the audited financial statements for the year ended June 30, 2013.

8 EARNINGS PER SHARE-basic and diluted

(Loss) for the period in rupees	168,859	(18,564,002)
Weighted average number of ordinary shares	11,975,040	11,975,040
Earning/(Loss) per share in rupees	0.01	(1.55)

9 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on,October 28, 2013 by the Board of Directors of the Company

10 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE **DIRECTOR**

Karachi: October 28,2013