QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2014 (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. Gulzar Siddiq - Independent Mr. Mohammad Sadiq- Non Executive Mr. Mohammad Irfan –Non Executive Mr. Farrukh Shafiq - Non Executive Mr. Amer Zaheer - Non Executive
Audit Committee	Mr. Mohammad Sadiq- Chairman Mr. Mohammad Irfan Mr. Farrukh Shafiq
Human Resource & Remuneration Committee.	Mr.Muhammad Sarfraz- Chairman Mr.Muhammad Sadiq Mr.Farrukh Shafiq
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, 2014.

1. **Sales**
   Since the sale of entire undertaking of the company there is no sale for the quarter ended 30.9.2014

2. **Pre-Tax Loss**
   Company's pretax profit for the reported period is Rs.0.78 million.

3. **Earning per share**
   The earning per share for the period is Rs. 0.05

4. **Financial position**

   After settlement of disputes and court cases with banks and financial institutions and creditors, financial position of the company is improving slightly as there is no financial burden on the company.

5. **Current and future summary and prospects**

   Allhamd-u-lillah disputes has been settled with banks. We are expecting that our CIB report will be cleared soon and management will be able to negotiate with financial institutions for financing. We have a plan for setting up a new spinning unit for yarn manufacturing with self-power generation to avoid load shedding and make the proposed project viable. The future business plans depends on financing from banks. Pending positive response from banks, management is looking other better investment opportunities with small capital available in hand for the better interest of the company and its members.

6. **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 during the period.

For and on behalf of the Board of Directors

Chief Executive

Karachi: October 29, 2014

HAJI MOHAMMAD ISMAIL MILLS LIMITED
BALANCE SHEET
AS AT SEPTEMBER 30, 2014

	Note	Un-Audited SEPTEMBER 2014 Rupees	Audited JUNE 2014 Rupees
ASSETS			
NON-CURRENT ASSETS			
Long term deposits		50,000	50,000
CURRENT ASSETS			
Short term investments	5	41,063,044	47,120,267
Advances income tax		1,326,636	1,326,636
Security deposits		200,000	200,000
Other receivables		5,390,599	4,382,852
Cash and bank balances		618,410	634,962
		48,598,689	53,664,717
TOTAL ASSETS		**48,648,689**	**53,714,717**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
12,000,000 (2014: 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		(72,624,482)	(73,413,930)
		47,125,918	46,336,470
CURRENT LIABILITIES			
Trade and other payables		1,522,771	1,700,082
Current portion of long term loans		-	5,678,165
		1,522,771	7,378,247
TOTAL EQUITY AND LIABILITIES		**48,648,689**	**53,714,717**
CONTINGENCIES AND COMMITMENTS	7		

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

CHIEF EXECUTIVE **DIRECTOR**

HAJI MOHAMMAD ISMAIL MILLS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED SEPTEMBER 30, 2014

	2014	2013
	Rupees	Rupees
Administrative expenses	(464,736)	(355,631)
Other income	1,246,248	526,230
Finance cost	(232)	(1,740)
	781,280	168,859
Profit before taxation	**781,280**	**168,859**
Taxation		
Current	(124,625)	-
Profit after taxation	656,655	168,859
Earning per share-basic and diluted	0.05	0.01

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, 2014

	Note	2014 Rupees	2013 Rupees
Profit after taxation		656,655	168,859
Other Comprehensive income for the period			
Surplus arising of re-measurement of available for sales investment	5	132,793	-
Total comprehensive Profit for the period		789,448	168,859

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, 2014

	2014 Rupees	2013 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**781,280**	**168,859**
Adjustments for non cash charges and other items		
Finance cost	232	1,740
Fair value adjustment of investment	132,793	4,705
	133,025	6,445
Profit before working capital changes	**914,305**	**175,304**
(Increase)/decrease in current assets:		
Short term investment - net	6,057,223	183,495
Trade deposits and short term prepayments	-	5,700,000
Other receivables	(1,007,747)	(2,200,000)
	5,049,476	**3,683,495**
Increase / (decrease) in current liabilities:		
Trade creditors, accrued and other liabilities	(177,311)	6,027,873
Cash (used in) / generated from operations	5,786,470	9,886,672
Payments for:		
Taxes paid	(124,625)	(53,093)
Finance cost paid	(232)	(1,740)
	(124,857)	(54,833)
Net cash (used in) / generated from operating activities	**5,661,613**	**9,831,839**
CASH FLOW FROM FINANCING ACTIVITIES:		
Short term loan	(5,678,165)	-
Net cash (used in) financing activities	**(5,678,165)**	-
Net (decrease) / increase in cash and cash equivalents	**(16,552)**	**9,831,839**
Cash and cash equivalents at beginning of the period	634,962	35,491,021
Cash and cash equivalents at end of the period	**618,410**	**45,322,860**

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, 2014

	Issued, subscribed and paid-up capital	Reserves			Total
		Capital	Revenue		
		Share premium	Accumulated Losses	Sub total	
	Rupees				
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			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
Balance as at July 01, 2013	119,750,400	6,912,000	(80,325,930)	(73,413,930)	46,336,470
Total Comprehensive income for the Period			789,448	789,448	789,448
Balance as at September 30, 2014	119,750,400	6,912,000	(79,536,482)	(72,624,482)	47,125,918

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, 2014

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 Allhamd-u-lillah disputes has been settled with banks. We are expecting that our CIB report will be cleared soon and management will be able to negotiate with financial institutions for financing. We have a plan for setting up a new spinning unit for yarn manufacturing with self-power generation to avoid load shedding and make the proposed project viable. The future business plans depends on financing from banks. Pending positive response from banks, management is looking other better investment opportunities with small capital available in hand for the better interest of the company and its members.

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, 2014 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, 2014.

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, 2014.

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, 2014.

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, 2014.

	(Unaudited)	(Audited)
	September 30,2014	**June 30,2014**
	Rupees	**Rupees**
5 SHORT TERM INVESTMENT	41,063,044	47,120,267

2014	2013	Name of the investee company	Sep-14	Jun-14	Sep-14	Jun-14
No of shares / certificates			Market value		Cost	
			Rupees	Rupees		
20,000	20,000	Nishat Power limited	766,000	700,200	621,400	621,468
46,400	41,400	Pakistan petroleum limited	10,488,720	9,022,716	11,061,296	9,920,406
25,000	50,000	Askari bank limited	538,750	952,000	422,500	845,013
90,000	90,000	Bank al falah limited	2,554,200	2,496,600	2,529,000	2,528,844
10,000	10,000	Century paper and board mills limited	541,700	538,700	641,100	641,102
360,000	100,000	Faisal bank limited	6,472,800	1,616,000	5,288,400	1,368,960
20,000	20,000	Oil and gas development company limited	4,941,200	5,085,400	5,430,000	5,430,073
200,000	200,000	Pak elektron limited	5,438,000	5,348,000	4,782,000	4,729,423
100,000	100,000	Summit bank limited	308,000	340,000	444,000	444,024
20,000	20,000	Engro corporation limited	3,302,800	3,741,200	3,992,600	3,992,673
5,000	5,000	Habib sugar mills limited	208,200	177,550	170,350	155,207
4,000	900	Pakistan state oil company limited	1,441,800	344,871	1,551,360	394,930
-	75,000	Fuji cement company limited	-	1,449,000	-	1,278,113
8,000	8,000	International industries limited	524,800	395,120	452,800	452,761
-	500,000	Lafarge pakistan cement limited	-	8,095,000	-	6,044,634
1,000	1,000	Engro fertilizers limited	53,610	57,880	-	-
68,500	68,500	Pakistan international bulk terminal limited -Lor	1,428,225	985,030	986,400	1,671,230
40,000	-	Ghandara nissan limited	2,039,200	-	1,715,600	-
1,017,900	**1,309,800**		**41,048,005**	**41,345,267**	**40,088,806**	**40,518,861**
		Add /(Less):Adjustment arising from re-measurement to Fair value	-	-	959,199	826,406
	26,860	Pakistan petroleum limited - subcription		5,775,000		5,775,000
500		Engro Power Qadirpur Ltd - subcription	15,039		15,039	
1,018,400	1,336,660		41,063,044	47,120,267	41,063,044	47,120,267

	(Unaudited) September 30,2014	(Audited) June 30,2014
6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
9,576,240 (June 30,2014: 9,576,240) Ordinary shares of Rs.10 each fully paid in cash	95,762,400	95,762,400
2,398,800 (June 30,2014 : 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, 2014.

8 EARNINGS PER SHARE-basic and diluted

Profit for the period in rupees	656,655	168,859
Weighted average number of ordinary shares	11,975,040	11,975,040
Earning per share in rupees	0.05	0.01

9 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on October 29, 2014 by the Board of Directors of the Company

10 GENERAL

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE **DIRECTOR**

Karachi: October 29,2014