

**QUARTERLY REPORT
FOR THE NINE MONTHS PERIOD ENDED
MARCH 31, 2014**

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 –Executive Director Mr. Farrukh Shafiq -Non Executive Mr. Amer Zaheer-Non Executive
Audit Committee	Mr. Mohammad Sadiq Mr. Mohammad Irfan Mr. Farrukh Shafiq
Human Resource & Remuneration Committee.	Mr. Muhammad Sarfraz 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 1 st 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 financial statements for the quarter ended 31st March, 2014.

1. Sales

Since the company has sold its entire fixed assets, therefore, there is no sale during the quarter as compared to the corresponding period sale of Rs.nil.

2. Gross profit

The company has no gross profit for the quarter, corresponding period gross loss is Rs. (0.164) million.

3. Pre-Tax profit

Company's pretax profit for the quarter is Rs.0.887 million as compared to corresponding period loss of Rs.(0.231) million.

4. Earning per share

The earning per share for the quarter is Rs. 0.05 as compared to corresponding period of Rs.(0.02) per share.

5. Financial position

Due to settlement of liabilities with banks/financial institutions except with a bank, financial pressure on the company has reduced slightly. After settlement with a remaining bank and creditors, financial position of the company will further improve.

6. Current and future summary and prospects

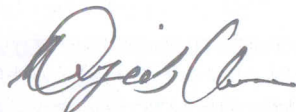
Suit of a bank is subjudice before High Court of Sindh. We are negotiating with the said bank and are trying to resolve the issue amicably. After settlement, our CIB will be clear and we will be able to arrange funds and decide future business plan after looking the available funds in hand. However we are looking other business options including setting up of power plant. We are also negotiating with the financial institutions for the financial assistance for the proposed business plan.

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

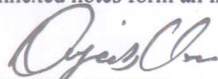
Karachi: April 28, 2014


HAJI MOHAMMAD ISMAIL MILLS LIMITED

Condensed Interim Balance Sheet As at March 31, 2014

		<u>Un-audited</u> March 31, 2014 Rupees	<u>Audited</u> June 30, 2013 Rupees
ASSETS			
NON-CURRENT ASSETS			
Long Term Deposits		610,931	610,931
CURRENT ASSETS			
Trade debts		198,409	5,198,409
Short term investments	5	41,128,811	188,200
Loan and advances		1,593,491	1,323,998
Trade deposits and short term prepayments		200,000	5,900,000
Other receivables		6,318,396	4,274,396
Cash and bank balances		3,954,132	35,491,021
		53,393,239	52,376,024
TOTAL ASSETS		54,004,170	52,986,955
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
12,000,000 (June, 2012: 12,000,00) ordinary shares of Rs10 each		120,000,000	120,000,000
Issued, subscribed and paid up capital	6	119,750,400	119,750,400
Reserves / Accumulated (loss)		(74,840,645)	(75,762,908)
		44,909,755	43,987,492
CURRENT LIABILITIES			
Trade and other payables		3,663,850	3,837,477
Mark-up on loans		1,008,153	1,008,153
Current portion of long term liabilities		4,153,833	4,153,833
Provision for taxation		268,579	
		9,094,415	8,999,463
CONTINGENCIES AND COMMITMENTS	7	-	-
TOTAL EQUITY AND LIABILITIES		54,004,170	52,986,955

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


CHIEF EXECUTIVE


DIRECTOR

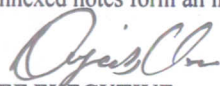
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HAJI MOHAMMAD ISMAIL MILLS LIMITED

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DIRECTOR

Karachi: April 28, 2014

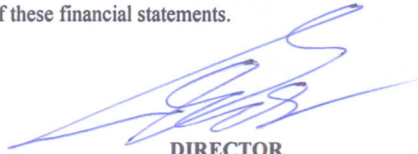
HAJI MOHAMMAD ISMAIL MILLS LIMITED
Condensed Interim Profit and Loss Account (Un-audited)
For The Period Ended March 31, 2014

		Nine month ended		Quarter ended	
		March 31, 2014 Rupees	March 31, 2013 Rupees	March 31, 2014 Rupees	March 31, 2013 Rupees
Sales- Net	8	-	1,587,167	-	-
Cost of sales		-	(2,621,994)	-	(164,537)
Gross (loss)		-	(1,034,827)	-	(164,537)
Operating expenses					
Administrative expenses		(1,155,205)	(1,638,318)	(421,906)	(358,700)
Other operating loss		(332,811)	(26,586,600)	(332,811)	763,694
Other operating income		2,681,432	3,017,306	1,643,473	476,413
Operating profit / (loss)		1,193,417	(26,242,439)	888,757	716,870
Finance cost		(2,575)	17,352,148	(835)	(948,096)
Profit / (Loss) before taxation		1,190,842	(8,890,291)	887,922	(231,226)
Taxation					
Current		(268,579)	-	(268,579)	-
Deferred		-	(16,697,410)	-	-
Net Profit / (Loss)		922,263	(25,587,701)	619,343	(231,226)
Profit / (loss) per share-basic and diluted	9	0.08	(2.14)	0.05	(0.02)

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



CHIEF EXECUTIVE



DIRECTOR

Karachi: April 28, 2014

Haji Mohammad Ismail Mills Limited
Condensed Interim Statement of Comprehensive Income (Un-audited)
For The Period Ended March 31, 2014

	Nine month ended		Quarter ended	
	March 31, 2014 RUPEES	March 31, 2013 RUPEES	March 31, 2014 RUPEES	March 31, 2013 RUPEES
Profit / (Loss) for the period after taxation	922,263	(25,587,701)	619,343	(231,226)
Comprehensive income for the period	-	-	-	-
Total comprehensive Income / (Loss) for the period	<u>922,263</u>	<u>(25,587,701)</u>	<u>619,343</u>	<u>(231,226)</u>

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



CHIEF EXECUTIVE



DIRECTOR

Karachi: April 28, 2014

HAJI MOHAMMAD ISMAIL MILLS LIMITED

Condensed Interim Cash Flow Statement (Un-audited)

For The Period Ended March 31, 2014

	March 31, 2014 RUPEES	March 31, 2013 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	1,190,842	(8,890,291)
Adjustments for non cash charges and other items		
Provision for gratuity	2,575	89,697
Finance cost net		(17,352,148)
Property plant and equipment transfer to held for sales impairment		105,136,307
Fair value adjustment of investment	332,811	26,586,601
	335,386	114,460,457
Profit before working capital changes	1,526,228	105,570,166
(Increase)/decrease in current assets:		
Assets held for sales		(105,136,307)
Stocks, stores and spares		6,010,359
Trade debts	5,000,000	29,094,180
Short term investment	(41,273,422)	
Loan and advances		30,000
Trade deposits and short term prepayments	5,700,000	(5,330,000)
Other receivables	(2,044,000)	(2,718,529)
	(32,617,421)	(78,050,297)
Increase / (decrease) in current liabilities:		
Trade creditors, accrued and other liabilities	(173,627)	(43,588,044)
Cash generated from operations	(31,264,821)	(16,068,175)
Payments for:		
Taxes paid	(269,493)	(283,843)
Finance cost - net paid	(2,575)	16,318,929
	(272,068)	16,035,086
Net cash from / (used in) operating activities	(31,536,889)	(33,090)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchased of plant and machinery	-	(2,924,221)
Proceeds from disposal of fixed assets	-	105,136,307
	-	102,212,086
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase / (Decrease) in long term loan		(68,454,726)
Short term loan		(6,251,311)
	-	(74,706,037)
Net (decrease) / increase in cash and cash equivalents	(31,536,889)	27,472,959
Cash and cash equivalents at beginning of the period	35,491,021	3,853,625
Cash and cash equivalents at end of the period	3,954,132	31,326,584

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


CHIEF EXECUTIVE


DIRECTOR

Karachi: April 28, 2014


HAJI MOHAMMAD ISMAIL MILLS LIMITED

Condensed Interim Statement of Changes in Equity (Un-audited)

For The Period Ended March 31, 2014

	Issued subscribed and paid-up capital Rupees	Reserves			Total Rupees
		Capital	Revenue		
		Share premium Rupees	Accumulated/ (Loss) Rupees	Sub total Rupees	
Balance as at June.30, 2012	119,750,400	6,912,000	(57,818,385)	(50,906,385)	68,844,015
Total Comprehensive (loss) for the period ended March 31, 2013			(25,587,701)	(25,587,701)	(25,587,701)
Balance as at March 31, 2013	<u>119,750,400</u>	<u>6,912,000</u>	<u>(83,406,086)</u>	<u>(76,494,086)</u>	<u>43,256,314</u>
Balance as at June 30, 2013	119,750,400	6,912,000	(82,674,908)	(75,762,908)	43,987,492
Total Comprehensive profit for the period ended March 31, 2014			922,263	922,263	922,263
Balance as at March 31, 2014	<u>119,750,400</u>	<u>6,912,000</u>	<u>(81,752,645)</u>	<u>(74,840,645)</u>	<u>44,909,755</u>

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



Chief Executive



Director

Karachi: April 28, 2014

HAJI MOHAMMAD ISMAIL MILLS LIMITED
NOTES TO THE CONDENSED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

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 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 to manufacture and sale of yarn / electric power

- 1.2 After sale of fixed assets and settlement of liabilities of banks, company has incurred income for the period ended March 31, 2014 of Rupees 0.92 million (March 31, 2013: Net loss of Rupees (25.58) million and as of that date, reported accumulated loss is of Rupees (81.75) million (March 31, 2013: Rupees (83.40) million). Due to default in payments, non-clearance of CIB report and court cases, bankers are reluctant to finance the company. 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 available 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.

	(Unaudited) March 31,2014	(Audited) June 30,2013
5 SHORT TERM INVESTMENTS		
Held for trading:		
Quoted:-		
Shares Investment		
Opening balance	358,886	358,886
Add:- During the period	58,001,342	-
Add / (Less) :- Fair value adjustment	(508,202)	(170,686)
Less:- Sales during the period	(16,723,215)	-
	<u>41,128,811</u>	<u>188,200</u>
	(Unaudited) March 31,2014	(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
	<u>119,750,400</u>	<u>119,750,400</u>
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.		
	March 31,2014	March 31,2013
8 Sales- Net		
Power sales	<u>-</u>	<u>1,587,167</u>

9 **EARNINGS PER SHARE-basic and diluted**

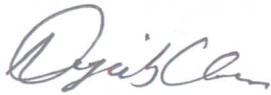
Profit / (Loss)after taxation for the year in rupees	922,263	(25,587,701)
Weighted average number of ordinary shares	11,975,040	11,975,040
Earnings per share in rupees	<u>0.08</u>	<u>(2.14)</u>

10 **DATE OF AUTHORISATION FOR ISSUE**

These financial statements have been authorised for issue on, April 28, 2014 by the Board of Directors of the Company

11 **GENERAL**

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE



DIRECTOR

Karachi: April 28, 2014