QUARTERLY REPORT
FOR THE NINE MONTHS PERIOD ENDED
MARCH 31, 2013

Haji Mohammad Ismail Mills Limited

Registered Office:
408, 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 Motors House, Beaumount 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	S-65/A, SITE Karachi

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 nine months period ended 31st March, 2013.

1. **Sales**
The company has ceased its operations and have sold the undertaking of the company, therefore there is no sale except sale of fixed assets. Sales for the quarter ended amounted to Rs. 1.58 million as compared to the corresponding period sale of Rs. 19.01 million.

2. **Gross profit**
The company's gross loss for the period is Rs. (1.03) million

3. **Pre-Tax Loss**
Company's pretax loss for the reported period is Rs.(8.89) million.

4. **Earning per share**
The loss per share for the period is Rs. (2.14)

5. **Financial position**
Company's Yarn manufacturing operation was closed since October 2007. Management concentrated on electric power generation and enhanced its power generation capacity upto 3.7 MW. Due to old age of generators, maintenance cost was very high. Furthermore company was facing liquidity crunch and non-availability of finance facility from the bankers was main hurdle in implementing the replacement program of old generators. Power generation sales bills were not being paid timely by HESCO. Management therefore decided to suspend power generation to avoid further burden of debts on the company. Alhamdullah most of the liabilities of the creditors have been settled through sale of fixed assets.

6. **Future business plan**
Management is trying its best to settle all liabilities of its creditors. We are also looking law and order situation and available funds for other business opportunities for the betterment of company and its members.

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 despite the adverse conditions.

For and on behalf of the Board of Directors

Chief Executive

Karachi: April 30, 2013

HAJI MOHAMMAD ISMAIL MILLS LIMITED

Condensed Interim Balance Sheet As at March 31,2013

ASSETS		March 31, 2013 Rupees (Un audited)	June 30, 2012 Rupees (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	5	79,996	212,828,425
Long term deposits		610,931	610,931
CURRENT ASSETS			
Stores, spares and loose tools		-	5,223,750
Stock in trade		-	786,609
Trade debts		6,528,499	35,622,679
Short term investments		70,104	70,104
Loan and advances		1,202,435	948,591
Trade deposits and short term prepayments		14,985,560	9,655,560
Other receivables		4,654,073	1,935,544
Cash and bank balances		31,326,584	3,853,625
		58,767,255	58,096,462
Assets held for sales	6	-	-
TOTAL ASSETS		**59,458,182**	**271,535,818**
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	7	119,750,400	119,750,400
Reserves		(76,494,086)	(50,906,385)
		43,256,314	68,844,015
Surplus on revaluation of proerty plant and equipment		-	53,299,784
NON-CURRENT LIABILITIES			
Long term loans		860,000	31,381,103
Deferred liabilities		379,120	14,241,971
CURRENT LIABILITIES			
Trade and other payables		9,800,762	53,388,806
Mark-up on loans		1,008,153	2,041,372
Short term bank borrowings		-	6,251,311
Current portion of long term loans		4,153,833	42,087,456
		14,962,748	103,768,945
CONTINGENCIES AND COMMITMENTS	8	-	-
TOTAL EQUITY AND LIABILITIES		**59,458,182**	**271,535,818**

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

CHIEF EXECUTIVE

DIRECTOR

Karachi: April 30,2013

HAJI MOHAMMAD ISMAIL MILLS LIMITED

Condensed Interim Profit and Loss Account (Un-audited)

For The Quarter and Nine Months Period Ended March 31, 2013

		Nine months period ended		Quarter ended	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
		Rupees	Rupees	Rupees	Rupees
Sales	9	1,587,167	19,013,726	-	6,996,439
Cost of sales		(2,621,994)	(17,538,750)	(164,537)	(5,944,764)
Gross (loss) / profit		(1,034,827)	1,474,976	(164,537)	1,051,675
Operating expenses					
Administrative expenses		(1,638,318)	(8,547,738)	(358,700)	(4,360,992)
Other operating expenses		(26,586,600)	(7,710,219)	763,694	(7,710,219)
Other operating income		3,017,306	214,103	476,413	172,901
Operating (Loss) / Profit		(26,242,439)	(14,568,878)	716,870	(10,846,635)
Finance cost		17,352,148	(3,535,074)	(948,096)	(1,305,652)
(Loss) / Profit before taxation		(8,890,291)	(18,103,952)	(231,226)	(12,152,287)
Taxation					
Current		-	(190,137)	-	(69,964)
Deferred		(16,697,410)	16,935,553	-	17,067,153
(Loss) / Profit after taxation		(25,587,701)	(1,358,536)	(231,226)	4,844,902
(Loss) / Profit per share-basic and diluted	10	(2.14)	(0.11)	(0.02)	0.41

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

CHIEF EXECUTIVE

DIRECTOR

Karachi: April 30,2013

HAJI MOHAMMAD ISMAIL MILLS LIMITED

Condensed Interim Statement of Comprehensive Income (Un-audited)
For The Quarter and Nine Months Period Ended March 31, 2013

	Nine months period ended		Quarter ended	
	March 31, 2013 RUPEES	March 31, 2012 RUPEES	March 31, 2013 RUPEES	March 31, 2012 RUPEES
(Loss) / Profit after taxation	(25,587,701)	(1,358,536)	231,226	4,844,902
Comprehensive income for the period	-	-	-	-
Total comprehensive (Loss) / Income for the period	(25,587,701)	(1,358,536)	231,226	4,844,902

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

CHIEF EXECUTIVE

DIRECTOR

Karachi: April 30,2013

HAJI MOHAMMAD ISMAIL MILLS LIMITED

Condensed Interim Cash Flow Statement (Un-audited)

For The Quarter and Nine Months Period Ended March 31, 2013

	March 31, 2013 RUPEES		March 31, 2012 RUPEES	
CASH FLOW FROM OPERATING ACTIVITIES				
(Loss) before taxation		(8,890,291)		(18,103,952)
Adjustments for non cash charges and other items				
Depreciation	-		1,363,698	
Provision for gratuity	89,697		-	
Finance cost net	(17,352,148)		3,535,074	
Property plant and equipment transfer held for sale	105,136,307		-	
impairment	26,586,601		-	
	114,460,457		4,898,772	
Profit before working capital changes		105,570,167		(13,205,180)
(Increase)/decrease in current assets:				
Assets held for sale	(105,136,307)			
Stocks, stores and spares	6,010,359		4,011,120	
Trade debts	29,094,180		(7,483,297)	
Loan and advances	30,000		(60,000)	
Trade deposits and short term prepayments	(5,330,000)		-	
Other receivables	(2,718,529)		1,490,511	
	(78,050,298)		(2,041,666)	
Increase / (decrease) in current liabilities:				
Trade creditors, accrued and other liabilities	(43,588,044)		11,904,566	
Cash generated from operations		(16,068,175)		(3,342,280)
Payments for:				
Taxes paid	(283,843)		(319,134)	
Finance cost - net paid	16,318,929		(2,226,744)	
	16,035,086		(2,545,878)	
Net cash from /(used in) operating activities		(33,089)		(5,888,159)
CASH FLOW FROM INVESTING ACTIVITIES				
Purchased of plant and machinery		(2,924,221)		-
Proceeds from disposal of fixed assets		105,136,307		23,030,101
CASH FLOW FROM FINANCING ACTIVITIES:				
Increase / (Decrease) in long term loan		(68,454,726)		(21,750,000)
Short term loan		(6,251,311)		-
		(74,706,037)		(21,750,000)
Net (decrease) / increase in cash and cash equivalents		27,472,959		(4,608,057)
Cash and cash equivalents at beginning of the year		3,853,625		6,569,670
Cash and cash equivalents at end of the year		31,326,584		1,961,613

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

CHIEF EXECUTIVE

DIRECTOR

Karachi: April 30,2013

HAJI MOHAMMAD ISMAIL MILLS LIMITED

Condensed Interim Statement of Changes in Equity (Un-audited)
For The Quarter and Nine Months Period Ended March 31, 2013

	Issued subscribed and paid-up capital	Reserves			
		Capital	Revenue		
		Share premium	Accumulated/ (Loss)	Sub total	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2011	119,750,400	6,912,000	(52,584,820)	(45,672,820)	74,077,580
Transferred from Surplus on revaluation on account of Incremental Depreciation charged in current period			236,019	236,019	236,019
Total Comprehensive (loss) for the period ended March 31, 2012			(1,358,536)	(1,358,536)	(1,358,536
Balance as at March 31, 2012	119,750,400	6,912,000	(53,707,337)	(46,795,337)	72,955,06
Balance as at June 30, 2012	119,750,400	6,912,000	(57,818,385)	(50,906,385)	68,844,01
Total Comprehensive (loss) for the period ended March 31, 2013			(25,587,701)	(25,587,701)	(25,587,70
Balance as at March 31, 2013	119,750,400	6,912,000	(83,406,086)	(76,494,086)	43,256,31

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

Chief Executive **Director**

Karachi: April 30,2013

HAJI MOHAMMAD ISMAIL MILLS LIMITED

NOTES TO THE CONDENSED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 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.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company for the nine months period ended March 31, 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, 2012.

This condensed 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, 2012.

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, 2012.

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, 2012.

5 PROPERTY, PLANT AND EQUIPMENT

	(Unaudited)	(Audited)
	March 31,2013	**June 30,2012**
	Rupees	Rupees
Opening book value	212,828,425	204,145,629
Addition/(deletion)	2,924,221	9,977,242
Depreciation for the period / year	-	(1,294,446)
Suplus on revaluation	(83,949,742)	-
Impairment /(Loss)	(26,586,601)	-
Less : Property ,Plant and equipment transfer held for sale	(105,136,307)	-
	79,996	212,828,425

6 Assets held for sales

Opening Balance	-	-
Add: Transfer from Property,Plant and equipment	105,136,307	-
Add: Transfer from Store spare and loose tools	5,223,750	-
Add: Transfer from Stock	786,609	-
	111,146,666	-
Less: Sold During the period	111,146,666	
Closing Balance	-	-

6.1 Property, plant and equipment owned by the company was classified and presented as non current assets held for sale following the approval of Shareholders of the company on December 7th 2012. The company has discontinued operation and suspended its production of yarn since October 01, 2007, and electric power generation in August, 2012. The company's inability to comply with loan agreements and pay debts on due dates. Therefore, the management considers that the company needs the finance to discharge its liabilities. The chief executive was authorized on behalf of the company to sell the non current assets of the company. The amount of liabilities directly associated with the non current assets classified as held for sale . The completion of the transaction has materialised during the period under report.

		(Unaudited) March 31,2013	(Audited) June 30,2012
7	**ISSUED, SUBSCRIBED AND PAID UP CAPITAL**		
	9,576,240 (June 30,2012: 9,576,240) Ordinary shares of Rs.10 each fully paid in cash	95,762,400	95,762,400
	2,398,800 (June 30,2012 : 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

8 **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, 2012.

		March 31,2013	March 31,2012
9	**Sales**		
	Other sales	-	955,073
	Power sales	1,587,167	18,058,653
		1,587,167	19,013,726
10	**EARNINGS PER SHARE-basic and diluted**		
	(Loss) for the period in rupees	(25,587,701)	(6,203,438)
	Weighted average number of ordinary shares	11,975,040	11,975,040
	(Loss) per share in rupees	(2.14)	(0.52)

11 **DATE OF AUTHORISATION FOR ISSUE**

These financial statements have been authorised for issue on,April 30, 2013 by the Board of Directors of the Company

12 **GENERAL**

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR

Karachi: April 30,2013