

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 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	NIB Bank Limited 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

VISION STATEMENT

The company is committed to remain abreast with the modern textile machinery in slow and steady steps. The primary vision is to re-establishing the company in the market, both local and international as quality yarn suppliers and power producer.

MISSION STATEMENT

The company has taken on a mission to set up yarn producing and power generation unit, improve its profitability and meet its commitments with customers, creditors, employees and give a fair return to its shareholders while complying with the best practices of Corporate Governance.

HAJI MOHAMMAD ISMAIL MILLS LTD
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General meeting of the shareholders will be held at 409 Commerce Centre, Hasrat Mohani Road, Karachi on Saturday the 26th October, 2013 at 4.00 p.m. to transact the following business.

1. To confirm the minutes of the last EOGM held on 7th December, 2012
2. To receive, consider and adopt the report of Directors, Auditors and the audited accounts of the company for the year ended June 30,2013
3. To appoint the auditors for the year ending 30th June, 2014 and fix their remuneration. The retiring auditors M/s. Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants being eligible, offers themselves for reappointment.
4. To discuss future business plan (setting up of power plant), means of finance and its completion time.
5. To consider any other business with the permission of the Chair.

By order of the Board
Company Secretary

Karachi: October 05, 2013

Notes:

1. The share transfer books of the company will remain closed from 20th October 2013 to 26th October 2013 (both days inclusive)
2. A member entitled to attend and vote at this meeting may appoint to a member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received by the company at the registered office not less than 48 hours before the meeting.
3. Any individual, beneficial owner of CDC, entitled to attend and vote at this meeting, must bring his/her original NIC or Passport, Account No. and participant's I.D number, to prove his/her identity, and in case of proxy must enclose an attested copy of his/her NIC or Passport.
4. In case of corporate entity, the board of directors' resolution/power of attorney with specimen signature of nominee/proxy shall be required.
5. Shareholders are requested to notify any change in their address immediately.

HAJI MOHAMMAD ISMAIL MILLS IMITED
DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors have pleasure in submitting their 33rd annual report to the member's alongwith audited accounts for the year ended June 30, 2013.

AN OVERVIEW

Due to heavy losses, company was facing a liquidity crunch. Bankers of the company did not renew the credit facilities and filed recovery suits. The management was forced to suspend its yarn manufacturing unit in October, 2007. Furthermore, due to technological innovation, machinery had become technologically obsolete, rusty and not getting positive response from the market.

MATERIAL CHANGES

Due to above adverse factors, default in payments, non-clearance of CIB report and court cases, bankers were reluctant to finance the company for revival. On the other hand financial cost was mounting and machinery had become rusty. Management has sold the entire undertaking at Rs.111,192,291/- and incurred loss of Rs.57.27 million.

OPERATING RESULTS

The financial results have been as follows:

	<u>2013</u>	<u>2012</u>
Sales	Rs. 1,587,167	22,655,143
Loss before taxation	Rs. (38,809,072)	(5,600,521)

FINANCE COST

Finance cost represents mark-up on borrowings from banking companies and financial institutions. The mark-up rates have increased substantially in the banking sector as a whole. Our finance cost increased accordingly.

TAXATION

Income tax Assessments are all upto date.

EARNING PER SHARE

The loss per share is Rs. (3.24).

CURRENT AND FUTURE OUTLOOK

Due to adverse factors as stated above and qualified opinion given by the auditors, we submit that there was pressure from the banks and financial institutions to clear their dues. Litigations were pending in the courts. Looking the old age of machinery and closure of yarn manufacturing operation since long, management sold the fixed assets and pay off the liabilities of the creditors. Management did its efforts to sell the assets excluding power plant but no one was interested to buy the land and building without power plant. Therefore management decided to sell the entire undertaking including power plant to fetch better price. Deal has been finalized with the buyers. One of them purchased machinery and other purchased land, building and power plant. 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, our CIB will be clear and we will be able to decide future business plan and arrange funds.

RELATED PARTIES

Due to closure of mills there is no related party transaction during the year.

DIVIDEND

Due to losses of the company, the directors have not recommended payment of any dividend.

OUTSTANDING STATUTORY PAYMENT

There are no overdue statutory payments.

CHANGES IN THE BOARD OF DIRECTORS

There is no change in the board of directors during the year.

MEETING OF BOARD OF DIRECTORS

Six board meetings were held during the year and each director attended the following number of meetings.

<u>Name of Directors</u>	<u>No. of meetings</u>
Mr. Najeeb Mushtaq Vohra	5
Mr. Muhammad Sarfraz	6
Mr. Mohammad Irfan	6
Mr. Muhammad Sadiq	6
Mr. Essa Khan	3
Mr. Wazir Khan	2
Mr. Ikram Ahmed	3

Leave of absence was granted to the directors who could not attend some of the meetings. During the year under review there was no trading of the company's share by the Chief Executive, Directors, Chief Financial Officer and Company Secretary, their spouses and minor children.

ENVIRONMENT, HEALTH, SAFETY AND SOCIAL ACTIONS

The company provides and maintains, so far as reasonably practicable social action plan, working conditions which are safe and without risk to the health of all employees and public.

PATTERN OF SHARE HOLDING IS ANNEXED TO THIS REPORT.

KEY OPERATING AND FINANCIAL RESULTS FROM 2008 TO 2013 ARE ANNEXED TO THIS REPORT

AUDITORS

The present auditors of the company M/s. Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants retires and being eligible, offer themselves for reappointment as auditors for the year ending June 30, 2014.

CORPORATE GOVERNANCE

We are pleased to inform you that the company has taken necessary steps to comply with the provisions of the Code of Corporate Governance as incorporated in the regulations of Stock Exchanges.

STATEMENT OF DIRECTORS RESPONSIBILITIES UNDER THE CODE OF CORPORATE GOVERNANCE.

The board of directors have pleasure to inform you that the Company has taken necessary steps to comply with the provisions of the Code of Corporate Governance as incorporated in the listing regulations of the Stock Exchanges. Statement of Compliance with the Code of Corporate Governance is annexed. The Company complies with the Code in the following manner.

- a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper books of accounts of the company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are significant doubts upon the Company's ability to continue as a going concern.
- g) There has been significant deviation from last year in operating results of the company.
- h) We have prepared and circulated a statement of ethics and business strategy among directors and employees for their acknowledgement, understanding and acceptance.
- i) The board of directors has adopted a mission statement and a statement of overall corporate strategy.
- j) As required by the Code of Corporate Governance, we have included the following information in this report:

- Statement of pattern of shareholding
- Statement of shares held by associated undertaking and related parties
- Statement of the board meetings held during the year and attendance by each director
- key operating and financial statistics for last six years

There was no trading during the year in the company's share by its Directors, CEO, CFO, Company Secretary, Executives and their spouse and minor children.

AUDIT COMMITTEE

The Board, in compliance to the Code of Corporate Governance, has formed an Audit Committee. Four meetings of the committee were held during the year. Following directors are its members. All meeting were attended by them.

- | | | |
|-----------------------|---|----------|
| 1. Mr. Mohammad Sadiq | - | Chairman |
| 2. Mr. Mohammad Irfan | - | Member |
| 3. Mr. Ikram Ahmed | - | Member |

The term of reference of the Audit Committee are based on the scope as defined by the Securities and Exchange Commission of Pakistan (SECP) in CCG 2012 and the guidelines given by the board of directors from time to time to improve the system and procedures.

STATEMENT OF ETHICS AND BEST BUSINESS PRACTICES

The Board has prepared the statement of ethics and best business practices which has been circulated to all the directors and employees for their acknowledgement, understanding and acceptance.

RELATIONSHIP WITH SHARE HOLDERS

The company reports formally to the shareholders three times a year all its financial results alongwith directors review on the operations and future outlook of the company. All the interim and final reports are sent to The Karachi Stock Exchange and at the registered addresses of the shareholders.

In addition to the above, company sends its annual report and formal notification for holding Annual General Meeting at least 21days in advance to facilitate the shareholders to participate in the meeting.

ACKNOWLEDGEMENTS

The Board acknowledges the hard work and efforts of the staff and labour and hopes that this will continue in the forthcoming years. The Board also acknowledges ongoing support from its bankers.

For and on behalf of the Board

Chief Executive

Karachi: October 05, 2013

HAJI MOHAMMAD ISMAIL MILLS LIMITED
KEY OPERATING & FINANCIAL RESULTS
FOR THE YEARS 2008-2013

OPERATING DATA	2,013	2,012	2,011	2010	2009	2008
Sales	1,587,167	22,655,143	27,910,835	27,900,294	93,431,585	70,342,912
Cost of goods sold	2,672,940	28,036,803	27,106,342	27,466,807	94,091,551	79,314,854
Gross profit/(loss)	(1,085,773)	(5,381,660)	804,493	433,487	(659,966)	(8,971,942)
Operating Profit/(loss)	(37,855,432)	(4,820,186)	4,028,670	(1,116,734)	(3,304,343)	(13,656,872)
Profit/(loss) before Taxation	(38,809,071)	(5,600,521)	(388,878)	(5,322,387)	(13,266,454)	(22,910,347)
Profit/(loss) after Taxation	(38,809,071)	(5,600,521)	(1,296,903)	1,923,342	(18,029,041)	(18,728,850)
FINANCIAL DATA						
Paid upcapital	119,750,400	119,750,400	119,750,400	119,750,400	119,750,400	119,750,400
Equity balance	43,987,492	68,844,015	74,077,580	70,612,286	65,434,333	78,938,101
Fixed assets	-	212,828,425	204,145,629	204,614,258	210,696,634	218,740,923
Current assets	52,376,024	58,096,462	46,504,705	46,343,402	43,591,390	69,530,820
Current liabilities	8,999,463	103,768,946	73,199,302	62,825,367	59,377,666	10,393,606
KEY RATIOS						
Gross margin	(68.41)	(23.75)	2.88	1.55	(0.71)	(12.75)
Operating Margin	(2,385.09)	(21.28)	14.43	(4.00)	(3.54)	(19.41)
Net Profit/(Loss)	(2,445.18)	(24.72)	(4.65)	6.89	(19.30)	(26.63)
Return on capital employed	(88.23)	(8.14)	(1.75)	2.72	(27.55)	(23.73)
Current ratio	0.17	1.79	1.57	1.36	1.36	1.57
Earning per share(Rs)	(3.24)	(0.47)	(0.11)	0.16	(1.51)	(1.60)
Cash dividend	-	-	-	-	-	-
STATISTICS						
Number of rotors	-	2,232	2,232	2,232	2,232	2,232
Production into 10/s	-	-	-	-	-	-
Count (in Kg's)	-	-	-	-	-	0.35(m)

HAJI MOHAMMAD ISMAIL MILLS LIMITED

STATEMENT OF ETHICS AND BUSINESS PRACTICES

As approved by the Board of Directors, the entire Management of Haji Mohammad Ismail Mills Limited is hereby advised to follow the under mentioned principles for excellent performance in the attempt to achieve the objectives of the company.

AS DIRECTOR

- a. Commit to all the necessary and appropriate resources.
- b. Foster a conducive environment through responsive policies.
- c. Maintain organizational effectiveness for the achievement of targets.
- d. Encourage and support compliance of legal and industrial requirements.
- e. Protect the interest of the company and employees.
- f. Avoid making any personal gain at the cost of the company.

AS EXECUTIVE AND MANAGER

- g. Protect the interest of the company and management.
- h. Ensure increase in productivity and profitability of the company.
- i. Provide the direction and leadership to the organization.
- j. Ensure total customer satisfaction through quality product and services.
- k. Promote a culture of excellence, devotion and continual improvement.
- l. Cultivate work ethics and harmony among colleagues and associates.
- m. Encourage initiatives and self-realization of responsibilities in juniors.
- n. Ensure as equitable way of working and reward system.

AS EMPLOYEE AND STAFF

- o. Devotion to your job.
- p. Abide by company's policies and regulations.
- q. Promote and protect the interest of the company.
- r. Exercise prudence and honesty in using company's resources.
- s. Observe cost effective practices in daily activities.
- t. Avoid making any personal gain at the cost of the company.

BRIBERY

- u. The payment of bribes, kickbacks in cash or kind to obtain business or otherwise for the company is strictly prohibited.

FINANCIAL INTEGRITY

- v. Compliance with accepted accounting rules and procedure is required at all times.
- w. All information supplied to all concerns must be complete and not misleading.
- x. The company will not knowingly assist fraudulent activities. If you have any reason to believe that fraudulent activities are taking place within the company or outside where we do business, you must inform the management immediately.

Statement of Compliance with the Code of
Corporate Governance
[See clause (XI)]

Name of Company: HAJI MOHAMMAD ISMAIL MILLS LIMITED

Year Ending: 30th June, 2013

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of listing regulations of Karachi Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Directors	Mr.Ikram Ahmed
Executive Directors	Mr.Najeeb Mushtaq Vohra Mr.Muhammad Sarfraz Mr.Muhammad Irfan
Non-Executive Directors	Mr.Muhammad Sadiq Mr.Wazir Khan Mr.Essa Khan

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the board during the year.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The board arranged an orientation programs for its directors during the year. The company has on its board one director who is exempt from training. The board is initiating training programme for its directors.
10. No new appointment of CFO, Company Secretary and Head of Internal Audit has been made during the year.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is an Executive director.
18. The board has set up an effective internal audit function.
19. The statutory auditors of the company have confirmed that at the time of their appointment they had a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other applicable material principles contained in the CCG have been complied with.

NAJEEB MUSHTAQ VOHRA
Chief Executive

Karachi: October 5, 2013

**REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH
BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Haji Mohammad Ismail Mills Limited** ("the Company"), to comply with the Listing Regulations of the Karachi Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

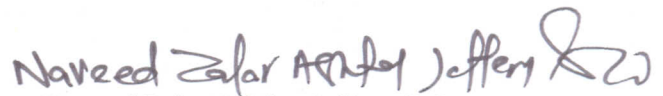
As part of the audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Boards statement on internal control covers all risks and control, or to form an opinion on the effectiveness of such internal controls, the company corporate governance procedures and risks.

Further, Sub-Regulation (xiii a) of Listing Regulations 35 notified by the Karachi Stock Exchange Limited requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in the arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2013.

Karachi

Date: 05 OCT 2013


Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
Engagement Partner: Ahsan Elahi Vohra

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Haji Mohammad Ismail Mills Limited** ("the Company") as at June 30, 2013 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of above said statements. We believe that our audit provides a reasonable basis for our opinion, we report that:

- I. The financial statements of the company has been prepared on going concern basis, despite of the facts that company incurred a net loss after tax of Rupees (38.8) million and having negative reserves of Rupees (75.7) million. As stated in note no.1.2 to the financial statements, the management 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 dispose off the assets of the company including land, building, plant & machinery to pay off its major debts. No further business activities have been carried out by the company. Furthermore, the company has not prepared any detailed business plan including profit or cash flow projection for an appropriate period subsequent to the reporting date. The foregoing conditions indicate material uncertainty which cast a significant doubt on the company's ability to continue as a going concern.

The significance of matters discussed in the preceding paragraph, lead us believe that the going concern assumption used in preparation of the financial statements of the company is inappropriate: consequently the assets and liabilities should have been stated at their realizable and settlement amount respectively.

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In our opinion:

- a. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 , and are in agreement with the books of account and are further in accordance with accounting policies consistently applied ;
- b. the expenditure incurred during the year was for the purpose of the Company's business; and
- c. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- d. due to significance of the matter referred to in paragraph (l) above, in our opinion and to the best of our information and according to the explanations given to us, the financial statements together with the notes have not been prepared in all material respect as at 30 June, 2013 and of its loss, comprehensive loss, its cash flow and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan, and do not give the information required by the Companies Ordinance, 1984.
- e. no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The financial statements of the company for the year ended June 30, 2012; were audited by another firm of Chartered Accountants whose report October 09, 2012; expressed unqualified opinion with emphasis paragraph on a going concern issue.


Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants
Engagement Partner: Ahsan Elahi Vohra - FCA

Karachi

Dated: 05 OCT 2013

HAJI MOHAMMAD ISMAIL MILLS LIMITED

Balance Sheet As at 30 June, 2013

	Note	2013 Rupees	2012 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	-	212,828,425
Long term deposits		610,931	610,931
CURRENT ASSETS			
Stores, spares and loose tools	6	-	5,223,750
Stock in trade	7	-	786,609
Trade debts	8	5,198,409	35,622,679
Short term investments	9	188,200	70,104
Loan and advances	10	1,323,998	948,591
Trade deposits and short term prepayments	11	5,900,000	9,655,560
Other receivables	12	4,274,396	1,935,544
Cash and bank balances	13	35,491,021	3,853,625
		52,376,024	58,096,462
Assets held for sales	14	-	-
TOTAL ASSETS		52,986,955	271,535,818
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
12,000,000 (June,2012: 12,000,000) ordinary shares of Rs. 10/- each		120,000,000	120,000,000
Issued, subscribed and paid up capital	15	119,750,400	119,750,400
Reserves		(75,762,908)	(50,906,385)
		43,987,492	68,844,015
Surplus on revaluation of property plant and equipment	16	-	53,299,784
NON-CURRENT LIABILITIES			
Long term loans	17	-	31,381,103
Deferred liabilities	18	-	14,241,971
CURRENT LIABILITIES			
Trade and other payables	19	3,837,477	53,388,806
Mark-up on loans	20	1,008,153	2,041,372
Short term bank borrowings	21	-	6,251,311
Current portion of long term loans	22	4,153,833	42,087,456
		8,999,463	103,768,945
CONTINGENCIES AND COMMITMENTS	23	-	-
TOTAL EQUITY AND LIABILITIES		52,986,955	271,535,818

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


CHIEF EXECUTIVE


DIRECTOR

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HAJI MOHAMMAD ISMAIL MILLS LIMITED

Profit and Loss Account

For the year ended June 30, 2013

	Note	2013 Rupees	2012 Rupees
Sales	24	1,587,167	22,655,143
Cost of sales	25	(2,672,940)	(28,036,803)
Gross (loss)		<u>(1,085,773)</u>	<u>(5,381,660)</u>
Operating expenses			
Administrative expenses	26	(1,987,140)	(2,077,676)
Other expenses	27	(38,966,259)	-
Other income	28	4,183,740	2,639,150
Finance cost	29	(953,639)	(780,335)
		(37,723,298)	(218,861)
(Loss) before taxation		<u>(38,809,071)</u>	<u>(5,600,521)</u>
Taxation			
Current		-	-
(Loss) after taxation		<u><u>(38,809,071)</u></u>	<u><u>(5,600,521)</u></u>
(Loss) per share-basic and diluted	30	<u><u>(3.24)</u></u>	<u><u>(0.47)</u></u>

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

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CHIEF EXECUTIVE


DIRECTOR

HAJI MOHAMMAD ISMAIL MILLS LIMITED

Statement of Comprehensive Income

For the year ended June 30, 2013

	Ncte	2013 Rupees	2012 Rupees
(Loss) after taxation		(38,809,071)	(5,600,521)
<i>Other comprehensive income</i>		-	-
Total comprehensive (loss) for the year		<u>(38,809,071)</u>	<u>(5,600,521)</u>

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

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CHIEF EXECUTIVE



DIRECTOR

HAJI MOHAMMAD ISMAIL MILLS LIMITED

Cash Flow Statement

For the year ended June 30, 2013

	Note	2013 Rupees	2012 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) before taxation		(38,809,071)	(5,600,521)
Adjustments for non cash charges and other items			
Depreciation		-	1,294,446
Provision for gratuity		89,697	92,500
Finance cost		953,639	780,335
(Loss) on Disposal of held for sale assets including unrealized gain		(6,010,359)	-
Loss on reclassification of assets held for sales		567,705	-
Loss on disposal of held for sale assets		56,703,227	-
Fair value adjustment of investment		(118,096)	(11,291)
		<u>52,185,813</u>	<u>2,155,990</u>
Profit before working capital changes		13,376,742	(3,444,531)
(Increase)/decrease in current assets:			
Stocks, stores and spares		6,010,359	20,800
Trade debts		30,424,270	(16,441,195)
Loan and advances		30,000	704,148
Trade deposits and short term prepayments		3,755,558	-
Other receivables		(2,338,852)	1,490,511
		<u>37,881,335</u>	<u>(14,225,736)</u>
Increase / (decrease) in current liabilities:			
Trade creditors, accrued and other liabilities		(49,551,329)	35,045,713
Cash generated from operations		<u>1,706,748</u>	<u>17,375,446</u>
Payments for:			
Taxes paid		(405,407)	(489,387)
Gratuity paid		(379,120)	(81,127)
Finance cost paid		(1,986,858)	(2,228,735)
		<u>(2,771,385)</u>	<u>(2,799,249)</u>
Net cash (used in) /generated from operating activities		<u>(1,064,637)</u>	<u>14,576,197</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchased of plant and machinery		(2,924,221)	(9,977,242)
Proceeds from disposal of fixed assets		111,192,291	-
Net cash generated / (used) from investing activities		<u>108,268,070</u>	<u>(9,977,242)</u>
CASH FLOW FROM FINANCING ACTIVITIES:			
Increase / (Decrease) in long term loan		(69,314,726)	(7,315,000)
Short term loan		(6,251,311)	-
Net cash (used in) from financing activities		<u>(75,566,037)</u>	<u>(7,315,000)</u>
Net increase / (decrease) in cash and cash equivalents		<u>31,637,396</u>	<u>(2,716,045)</u>
Cash and cash equivalents at beginning of the year		3,853,625	6,569,670
Cash and cash equivalents at end of the year	13	<u><u>35,491,021</u></u>	<u><u>3,853,625</u></u>

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 year ended June 30, 2013

	Issued subscribed and paid-up capital Rupees	Reserves			Total Rupees	
		Capital	Revenue			
		Share premium Rupees	Accumulated Losses Rupees	Reverse for assets classified as Held for Sales Rupees		Sub total 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	-	-	366,956	-	366,956	366,956
Total Comprehensive (Loss) for the year ended - 30.06.2012	-	-	(5,600,521)	-	(5,600,521)	(5,600,521)
Balance as at June 30, 2012	119,750,400	6,912,000	(57,818,385)		(50,906,385)	68,844,015
Balance as at July 01, 2012	119,750,400	6,912,000	(57,818,385)	-	(50,906,385)	68,844,015
Total Comprehensive (Loss) for the year ended - 30.06.2013	-	-	(38,809,071)	-	(38,809,071)	(38,809,071)
Unrealized gain on assets classified as held for sale	-	-	-	20,531,072	20,531,072	20,531,072
Realized gain as a result of disposal of assets held for sale	-	-	-	(20,531,072)	(20,531,072)	(20,531,072)
Deferred Tax realized pertains to surplus on revaluation	-	-	13,952,548	-	13,952,548	13,952,548
Balance as at June 30, 2013	119,750,400	6,912,000	(82,674,908)	-	(75,762,908)	43,987,492

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



CHIEF EXECUTIVE



DIRECTOR

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HAJI MOHAMMAD ISMAIL MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1 THE COMPANY AND ITS OPERATIONS

- 1.1** 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 Karachi Stock Exchange on November 29, 1994.

Principal business of the company is manufacture and sale of yarn. Mill is located at Kotri Industrial Estate in the Province of Sindh.

- 1.2** The yarn production was suspended since October 01, 2007 due to heavy losses. Company has incurred loss for the year ended June 30, 2013 of Rupees 38.809 million mainly due to sale of old and rusty machinery due to long closure (June 30, 2012: Rupees 5.60 million) and as of that date, reported accumulated loss is of Rupees 82.675 million (June 30, 2012: Rupees 57.81 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. Management did its efforts to sell the assets excluding power plant but no one was interested to buy the Land and Building without power plant. Therefore management decided to sell the entire undertaking including power plant and machinery. Negotiation was finalized with prospective buyers. One of them purchased machinery and other purchased land, building and power plant. Deal has been finalized 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 we will be able to get clear CIB report. We will be able to decide our future business plan looking the available funds in hand.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, Provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan differ with requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

2.2 Standards, interpretations and amendments to published approved accounting standards

2.2.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year

During the year, the following standards, amendments to standards and interpretations including amendments to interpretations became effective, however, the application of these amendments and interpretations did not have material impact on the financial statements of the Company:

Standards, interpretations and amendments	Description
Amendments to IAS 1 - Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income	The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gains on hedges of net investments, exchange differences on translation of foreign operations, net movements on cash flow hedges and net losses or gains on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans). Income tax on items of other comprehensive income is required to be allocated on the same basis i.e. the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments require retrospective application. The amendment is effective for annual periods beginning on or after July 01, 2012.

2.2.2 Approved accounting standards, interpretations and amendments thereto issued but not effective as at the reporting date

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date.

Standards, interpretations and amendments

Description

Amendments to IAS 16 - Property, Plant and Equipment – Classification of servicing equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory. The standard is effective for annual periods beginning on or after January 01, 2013.

Amendments to IAS 19 - Employee Benefits

The amendments eliminate the corridor approach and therefore require an entity to recognize changes in defined benefit plans obligations and plan assets when they occur. All actuarial gains or losses arising during the year are recognized immediately through other comprehensive income. The amendments also require additional disclosures and retrospective application with certain exceptions. The application of the amendments to IAS 19 would result in the recognition of cumulative unrecognized actuarial loss in other comprehensive income in the period of initial application. The standard is effective for annual periods beginning on or after January 01, 2013.

Amendments to IAS 32 Financial Instruments: Presentation - Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The standard is effective for annual periods beginning on or after January 01, 2013.

Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities

These amendments clarify the meaning of “currently has a legally enforceable right to set-off”. It will be necessary to assess the impact to the entity by reviewing settlement procedures and legal documentation to ensure that offsetting is still possible in cases where it has been achieved in the past. In certain cases, offsetting may no longer be achieved. In other cases, contracts may have to be renegotiated. The requirement that the right of set-off be available for all counterparties to the netting agreement may prove to be a challenge for contracts where only one party has the right to offset in the event of default. The standard is effective for annual periods beginning on or after January 01, 2014.

Amendments to IAS 34 - Interim Financial Reporting - Interim reporting of segment information for total assets and total liabilities

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures. The standard is effective for annual periods beginning on or after January 01, 2013.

Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting financial assets and financial liabilities

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The amendment is effective for annual periods beginning on or after January 01, 2013.

IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine

This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The amendment is effective for annual periods beginning on or after January 01, 2013.

- 2.1.3 Securities and Exchange Commission of Pakistan through SRO 182(I)/2013 dated 4th March 2013 has amended the requirements of 4th Schedule of the Companies Ordinance 1984. The amendments require some additional disclosure and modification of existing disclosure.

3 BASIS OF MEASUREMENT

- 3.1 These financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments at fair value and recognition of certain employee retirement benefits at present value.
- 3.2 The company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

Provision for taxation

The company takes into account the current income tax law and decisions taken by the appellate authorities. Instances where the company's view differs from the view taken by the income tax department at the assessment stage and where the company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

Staff retirement benefits - gratuity

Certain actuarial assumptions have been adopted as disclosed in relevant note to the financial statements for valuation of present value of defined benefit obligation. Any changes in these assumptions in future year might affect unrecognized gains and losses in those years.

Financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on market conditions existing at balance sheet date.

Property, plant and equipment

The company reviews recoverable amount, useful life, residual value and possible impairment on an annual basis. Any changes, if material in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

The company operates as unfunded gratuity scheme covering for all its permanent employees who have attained the minimum qualifying period for entitlement to the gratuity.

Provision is made annually to cover the obligation on the basis of actuarial valuation and charged to income. The most recent actuarial valuation was carried on June 30, 2008 using the Projected Unit Credit Method.

Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses for the plan at the end of previous reporting exceeds 10 percent of the present value of defined benefit obligation at that date.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Staff retirement benefit

Defined benefit plan

The company operates as unfunded gratuity scheme covering for all its permanent employees who have attained the minimum qualifying period for entitlement to the gratuity.

Provision is made annually to cover the obligation on the basis of actuarial valuation and charged to income. The most recent actuarial valuation was carried on June 30, 2013 using the Projected Unit Credit Method.

Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses for the plan at the end of previous reporting exceeds 10 percent of the present value of defined benefit obligation at that date.

4.2 Taxation

Current

Provision for current taxation is made on the taxable income, if any, after taking into account tax credit and tax rebate available.

Deferred

Deferred tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

The carrying amount of all deferred tax assets are reviewed at each balance sheet date and reduced to the extent, if it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

4.3 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.4 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past event, and it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.5 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost or revalued amount less accumulated depreciation and impairment loss, if any except freehold land which is stated at revalued amount. Depreciation is calculated on straight line method to write-off the cost or revalued amount of assets, less their residual values, over their expected useful lives. Remaining useful lives of significant assets and their residual values are reviewed periodically and changes in estimates arising from such review is accounted for in current and future years. During the year the company renewed the useful life and residual value and revised the rate of depreciation as mentioned in note No. 5

Depreciation on additions during the year is charged on pro-rata basis when the asset is acquired or capitalized. Similarly the depreciation was charged on additions and no depreciation was charged on deletion during the period.

In the year of revaluation depreciation is charged after the date of valuation until the year end. Gain or Loss on disposal of property, plant and equipments are included in operating income. Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalized.

Assets subject to finance lease

Assets held under finance leases are stated at lower of present value of minimum lease payments under the lease agreement and the fair value of assets acquired on lease. Aggregate amount of related obligations under the lease less financial charges allocated to future payments are shown as liability. The financial charges are allocated to accounting period in a manner to provide constant periodic rate of charge on the outstanding liability. Assets acquired under finance lease are depreciated apply straight-line method on a basis similar to owned assets. Depreciation of leased assets is charged to income currently.

4.6 Impairment

At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

4.7 Capital Work-in-progress

Capital work-in-progress (CWIP) is stated at cost. All expenditures connected to the specific assets incurred during installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are ready for their intended use.

4.8 Investment

The management determines the appropriate classification of its investment in accordance with the requirements of International Accounting Standard (IAS 39) Financial Instrument: Recognition and measurement at the time of the purchase and classifies these investments as fair value through profit or loss account, held to maturity or available for sale.

(a) Financial assets at fair value through profit or loss account

Investments that are acquired principally for the purpose of generating profit from short term fluctuation in prices are classified as “fair value through profit or loss account”. These investments are initially recognised at cost and transaction cost associated with the investment are taken directly to profit and loss account. Subsequent to initial measurement, investments at fair value through profit or loss are marked to market, using the closing market rates at the end of each day and are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair values of these investments, based on the quoted market rates ruling at the day-end, are taken to profit and loss account.

(b) Held to maturity

Held to maturity investments are financial assets with fixed or determinable payments and fixed maturities that the company’s management has the positive intent and ability to hold to maturity.

(c) Available for sale

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in equity prices, are classified as “available for sale” These investments are initially recognized at cost which includes transaction cost which includes transaction costs associated with the investment. Subsequent to initial measurement, “available for sale” investments are revalued and are remeasured at fair value. Net gains and losses arising on changes in fair values of these investments are taken to shareholder’s equity.

All purchases and sales of investments that required delivery within the time frame established by regulation or market convention (“regular way” purchases and sales) are recognised at trade date, which is the date that the company commits to purchase or sale the asset. All other purchases and sales are recognised as derivative forward transactions until settlement occurs.

Investments are derecognized when the right to received cash flows from the investments have expired, have been realized or transferred and the company has transferred substantially all risk and rewards of ownership.

Impairment of investments is recognised when there is a permanent diminution in their values.

4.9 Stores, spares and loose tools

These are valued at cost or net realizable value whichever is less. Cost is determined by moving average method. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred.

4.10 Stock in trade

Stock in trade are valued at lower of average cost and net realizable value applying the following basis.

Raw material	At average cost except those in transit which are stated at actual cost
Work in process and finished goods	Cost of direct material and a proportion of manufacturing overhead based on normal capacity
Waste	At net realizable value

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily incurred in order to make the sale.

4.11 Foreign currencies

Transactions in foreign currency are recorded in Rupees at rates of exchange prevailing at the date of transaction. All monetary assets and liabilities in foreign currency are re-translated at exchange rate prevailing on the balance sheet date. All exchange differences are accounted for in income currently.

4.12 Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand and bank balances.

4.13 Financial instruments

Financial instruments carried at the balance sheet date include trade debts, loans and advances, trade deposits, other receivables, cash and bank balances, long term financing, short term borrowings, trade and other payables and interest/mark-up on loans. Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument and derecognized when the company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified into the contract is discharged, cancelled or expired.

4.14 Off setting of financial assets and financial liabilities

A financial asset and a financial liability is off set and the net account is reported in the balance sheet if the company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.15 Trade debts

Trade Debts are carried at original invoice less an estimate made for doubtful debts based on a review of all out standing amounts at the year end. Bad debts are written off when identified.

4.16 Borrowings

Financing and borrowings are recorded at the proceeds received. Finance cost are accounted for on accrual basis.

4.17 Trade and other payables

These are recognised using the trade date accounting and are measured at cost which is the fair value of the consideration to be

4.18 Borrowing cost

Borrowing costs directly attributable to acquisition and construction of qualifying assets are capitalized up to the date of

4.19 Related party transactions and transfer pricing

Transactions and contracts with related parties are carried out at an arm's length price determined in accordance with the comparable uncontrolled price method.

4.20 Revenue recognition

Export sales are accounted for on shipment basis and exchange difference, if any on account of export proceeds are adjusted in the period realization. Local sales are recognised on dispatch of goods to the customer. Dividend is recognized as income when the right to receive dividend is established. Profit on deposits is recognized on time proportion basis by reference to the principal outstanding and the applicable rate of return.

4.21 Dividend

The dividend distribution to the shareholders is recognised as a liability in the period in which it is approved by the shareholders.

5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost/Revaluation	Addition	Revaluation during the year	Assets Held for sales	Cost/Revaluation	Accumulated	Increase	Accumulated	Book Value	Book Value	Rate	Depreciation
	at			at	Depreciation	(Decrease)	Depreciation	at	at	%	for the	
	01.07.2012				30.06.2013	1.07.2012	Adjustment	30.06.2013	01.07.2012	30.06.2013		year
Leasehold land	17,308,466		9,834,980	(27,143,446)	-	443,446	(443,446)	-	16,865,020	-		-
Factory building on lease hold land	62,797,757		(24,363,988)	(38,433,769)	-	15,121,122	(15,121,122)	-	47,676,635	-		-
Office building on lease hold land	422,609			(422,609)	-	147,374	(147,374)	-	275,235	-		-
Godown on leasehold land	-			-	-	-	-	-	-	-		-
Labour colony	11,880,362			(11,880,362)	-	3,468,244	(3,468,244)	-	8,412,118	-		-
Plant and Machinery	256,045,613	2,924,221	(91,663,642)	(198,464,363)	-	122,488,596	(122,488,596)	-	136,481,238	-		-
		31,158,171					(25,321,478)					
Office equipment	242,114			(242,114)	-	116,403	(116,403)	-	125,711	-		-
Motor vehicle	941,426			(941,426)	-	861,430	(861,430)	-	79,996	-		-
	349,638,347	34,082,392	(106,192,650)	(277,528,089)	-	142,646,615	(167,968,093)	-	209,915,953	-		-
Leased Assets:												
Plant and Machinery	31,158,171			(31,158,171)	-	25,321,478	(25,321,478)	-	5,836,693	-		-
TOTAL 30 JUN, 2013 Rupees	380,796,518	34,082,392		(308,686,260)	-	167,968,093	(193,289,571)	-	215,752,646	-		-
TOTAL 30 JUN, 2012 Rupees	370,819,276	9,977,242		-	380,796,518	166,673,647	-	167,968,093	204,145,629	212,828,425		1,294,446

5.1 Revaluation of fixed assets was carried out on September 27, 2002 by M/s Asif Associates (Pvt.) Ltd, an approved independent valuer. Revaluation is worked on depreciated replacement value basis.

5.2 Revaluation of freehold land, building and plant and machinery at 01 January, 2013 was carried out to arrive a fair value of assets which was credited to assets held for sales account to comply with the requirement of IFRS-5 Revaluation was carried out by the independent valuers PBC M/s Asif Associates (Pvt) Limited.

	Note	2013 Rupees	2012 Rupees
6 STORE, SPARES AND LOOSE TOOLS			
Stores		-	2,540,746
Spares			1,599,162
Loose tools		-	1,083,842
		<u>-</u>	<u>5,223,750</u>
7 STOCK IN TRADE			
Raw material		-	786,609
		<u>-</u>	<u>786,609</u>
8 TRADE DEBTORS			
Unsecured - Considered good		<u>5,198,409</u>	<u>35,622,679</u>
9 SHORT TERM INVESTMENTS			
<i>Held for trading:</i>			
Quoted:-			
First Equity Modaraba 47,050 fully paid ordinary shares of Rs.10/- each		358,886	358,886
Market value Rs. 188,200 (2012: Rs.70,104)			
Less: (Provision for diminution in value of investments)/fair value adjustments		(170,686)	(288,782)
		<u>188,200</u>	<u>70,104</u>
10 LOANS AND ADVANCES			
<i>Unsecured- Considered good</i>			
Employees		-	30,000
Income tax		1,323,998	918,591
		<u>1,323,998</u>	<u>948,591</u>
11 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Bank guarantee margin		-	570,000
Deposits/Prepayments		5,900,000	9,085,560
		<u>5,900,000</u>	<u>9,655,560</u>
12 OTHER RECEIVABLES			
Sales tax		642,103	-
Insurance claim receivable		1,935,544	1,935,544
Other receivable		1,696,749	-
		<u>4,274,396</u>	<u>1,935,544</u>
13 CASH AND BANK BALANCES			
Cash at bank in current accounts		33,943,911	460,879
Cash in hand		1,547,110	3,392,746
		<u>35,491,021</u>	<u>3,853,625</u>
14 ASSETS HELD FOR SALES			
Plant and machinery			
Transfer from property plant & equipment, stores and stock in trade		111,759,996	-
Less: Assets disposed off during the year		(111,759,996)	-
		<u>-</u>	<u>-</u>

Description	Cost	Accumulated Depreciation	Book value	Fair value less Cost to sales	Impact of revaluation	Sales Proceed	Gain/(Loss) on Disposal	Mode of Disposal/ Particular of Purchaser
Land	17,308,466	443,446	16,865,020	26,700,000	9,834,980	29,700,000	3,000,000	Through Tender, Mr. Sirajuddin Soomro S/o Mohammad Hassan
Building	75,100,728	18,736,740	56,363,988	32,000,000	(24,363,988)	31,000,000	(1,000,000)	Through Tender, Mr. Sirajuddin Soomro S/o Mohammad Hassan
Plant and machinery	290,370,119	147,926,477	142,443,642	50,780,000	(91,663,642)	48,246,666	(2,533,334)	Through Tender, Mr. Sirajuddin Soomro S/o Mohammad Hassan and Mr. Khalid Javeed Proprietor S.S.Q Textile Trader
Store ,Spare and Lose Tools	5,223,750	-	5,223,750	2,000,000	(3,223,750)	2,000,000	-	Through Tender, Mr. Khalid Javeed Proprietor S.S.Q Textile Trader
Stock	786,609	-	786,609	200,000	(586,609)	200,000	-	Through Tender, Mr. Khalid Javeed Proprietor S.S.Q Textile Trader
Vehicle	941,426	861,430	79,996	79,996	-	45,625	(34,371)	Adjustment against Dues
	<u>389,731,098</u>	<u>167,968,093</u>	<u>221,763,005</u>	<u>111,759,996</u>	<u>(110,003,009)</u>	<u>111,192,291</u>	<u>(567,705)</u>	

14.1 Revaluation of freehold land, building and plant and machinery at 01 January, 2013 was carried out to arrive a fair value of assets which was credited to assets held for sales account to comply with the requirement of IFRS-5 Revaluation was carried out by the independent valuers PBC M/s Asif Associates (Pvt) Limited.

	Note	2013 Rupees	2012 Rupees
15 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
9,576,240 (2012: 9,576,240) Ordinary shares of Rs.10 each allotted for consideration paid in cash		95,762,400	95,762,400
2,398,800 (2012: 2,398,800) Ordinary shares of Rs.10 each issued as bonus share		23,988,000	23,988,000
		<u>119,750,400</u>	<u>119,750,400</u>
15.1 4,353,276 (June 30, 2012: 4,353,276) Ordinary share held by associate company.			
15.2 There has been an issue of 1,995,840 right share.			
15.3 The Company has one class of ordinary shares which carry no rights to fixed income.			
16 SURPLUS ON REVALUATION OF FIXED ASSETS			
Surplus on revaluation		53,299,784	53,666,740
Less : Deficit during the year		(32,768,712)	-
Less:			
Transferred to accumulated loss on account of incremental depreciation for the year		-	(366,956)
Surplus on revaluation relating to assets held for sales		(20,531,072)	-
		<u>-</u>	<u>53,299,784</u>
17 LONG TERM LOANS			
From Banking Companies			
Opening balance		-	22,890,941
Add:- Restructure during the year		-	-
		-	22,890,941
Less:- Transfer to current maturity		-	(22,890,941)
Closing balance		-	-

17.1 The loans were secured against second charge on fixed assets of the company and personal guarantees of sponsoring directors . The loans has been paid off.

	Note	2013 Rupees	2012 Rupees
17.2 Related parties			
From Directors, Sponsors and private Companies			
Directors/Sponsors		-	23,593,912
Others		-	7,787,191
		<u>-</u>	<u>31,381,103</u>
17.3 These are unsecured , interest free and repayable after more than one year as per mutual agreement.			
18 DEFERRED LIABILITIES			
Deferred taxation	18.1	-	13,952,548
Gratuity	18.2	-	289,423
		<u>-</u>	<u>14,241,971</u>
18.1 Deferred Tax			
The liability for deferred taxation comprises of timing differences relating to:			
Accelerated tax depreciation allowance		57,263,013	57,263,013
Lease rentals		(10,664,736)	(10,664,736)
Available losses		(32,611,010)	(32,611,010)
Provision for gratuity		(34,719)	(34,719)
Deferred tax asset written off		(13,952,548)	-
		<u>-</u>	<u>13,952,548</u>
18.2 Staff gratuity		<u>-</u>	<u>289,423</u>
Movements in the net liability are as follows:			
Opening balance		289,423	278,050
Less: payment made during the year		(379,120)	81,127
		(89,697)	196,923
Provision during the year	18.3	89,697	92,500
		<u>-</u>	<u>289,423</u>
18.3 Current Service cost		73,323	65,369
Interest cost		32,764	24,006
Actuarial (gain)/loss charged to income		(16,389)	3,125
		<u>89,697</u>	<u>92,500</u>
18.4 The amounts recognized in the balance sheet are as follows:			
Present value of defined benefit obligation		224,938	224,938
Un recognized actuarial gain / loss		(224,938)	64,485
		<u>-</u>	<u>289,423</u>
18.5 The principal assumption used in the valuation of gratuity are as follows:			
Discount rate		0%	12%
Expected rate of salary increase		0%	5%
Average expected remaining working life of the employees		0	14Years
19 TRADE AND OTHER PAYABLE			
Creditors		3,695,977	4,164,542
Offer money received against assets		-	41,053,233
Accrued expenses		141,500	7,468,196
Sales Tax Payable		-	702,835
		<u>3,837,477</u>	<u>53,388,806</u>
20 ACCRUED FINANCE COST ON SECURED LOANS:-			
Long term loan		1,008,153	135,573
Short term loans		-	1,905,799
		<u>1,008,153</u>	<u>2,041,372</u>

	Note	2013 Rupees	2012 Rupees
21 SHORT TERM BANK BORROWING (Secured)			
Short term borrowing under markup arrangements.		-	6,251,311
21.1			
The finance facility has expired and has not been renewed by the bank. The facility is secured by pari passu hypothecation charge, pledge of stocks, lien on export bills under collection and by way of personal guarantees of sponsoring directors of the company. No markup has charged after the expiry of the facility.			
22 CURRENT PORTION OF LONG TERM FINANCING			
Long term loans			
Other financial institution		4,153,833	4,153,833
Liabilities against assets subject to finance lease	22.1	-	30,470,675
Banking Companies	22.2	-	7,462,948
		<u>4,153,833</u>	<u>42,087,456</u>
22.1 Liabilities against assets subject to finance lease			
Opening balance		30,470,675	30,470,675
Current maturity/ Transfer adjustment		5,882,590	-
		<u>36,353,265</u>	<u>30,470,675</u>
Payment made during the year		(15,786,060)	-
Transfer to financial expenses		(20,567,205)	-
		<u>-</u>	<u>30,470,675</u>
22.2 Banking Companies			
Opening balance		7,462,948	10,072,007
Current maturity/ Transfer adjustment		2,274,520	22,890,941
		<u>9,737,468</u>	<u>32,962,948</u>
Payment made during the year		(12,000,000)	(25,500,000)
Transfer to financial expenses		2,262,532	-
		<u>-</u>	<u>7,462,948</u>
23 CONTINGENCIES AND COMMITMENTS			
Contingencies			
Letter of guarantee issued by commercial bank for securing gas bill.		5.7 (m)	5.7 (m)
Commitments			
There is no commitments as on Balance sheet date.			

	Note	Power Division	Spinning Division		Rupees
		`2013 Rupees	`2013 Rupees	`2013 Rupees	
24 SALES					
Local		1,587,167	-	1,587,167	22,655,143
25 COST OF SALES					
Raw material consumed	25.1	-	-	-	-
Stores and spares consumed	25.2	324,695	-	324,695	5,329,053
Generator rent		-	-	-	10,050,000
Salaries, wages and benefits		939,685	-	939,685	2,807,401
In house use of electric power and water charges		1,316,032	-	1,316,032	8,036,898
Insurance		5,025	-	5,025	-
Repairs and maintenance		87,502	-	87,502	519,005
Depreciation		-	-	-	1,294,446
		<u>2,672,940</u>	<u>-</u>	<u>2,672,940</u>	<u>28,036,803</u>
25.1					
Opening stock of raw material		-	-	-	786,609
Closing stock of raw material		-	-	-	(786,609)
Consumed of raw material		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
25.2					
This includes Rs. 89,697 as staff retirement benefits for the period					

		`2013 Rupees	`2013 Rupees	`2013 Rupees	`2012 Rupees
26 ADMINISTRATIVE EXPENSES					
Salaries benefits and allowances		411,603	-	411,603	349,853
Remuneration to chief executives, directors and executives	31	504,150	-	504,150	443,235
Traveling and conveyance		1,810	-	1,810	113,836
Printing and stationery		38,764	-	38,764	39,274
Communication expenses		90,141	-	90,141	91,143
Rent, rates and taxes		-	-	-	71,695
Vehicle running and maintenance		13,580	-	13,580	29,077
Audit fee	26.1	75,000	-	75,000	160,000
Fees, subscription and periodicals		843,092	-	843,092	770,563
Computer expenses		9,000	-	9,000	9,000
		1,987,140	-	1,987,140	2,077,676
				`2013 Rupees	`2012 Rupees
26.1 AUDITORS REMUNERATION					
Half yearly review fee				10,000	10,000
Statutory audit fee				65,000	150,000
				75,000	160,000
27 OTHER EXPENSES					
Loss on reclassification/disposal of assets held for sales				567,705	-
Loss on disposal of assets held for sale				56,703,227	-
Accrued markup waived off				(18,304,673)	-
				38,966,259	-
28 OTHER INCOME					
Fair value adjustment investments				118,096	11,291
Lease of industrial land and building receivable				2,805,788	1,895,671
Profit on PLS Account				830,298	279,068
Profit on Gas Deposit				416,940	453,120
Scrape Sales				12,618	-
				4,183,740	2,639,150
29 FINANCE COST					
<i>Interest/Mark-up on</i>					
Long term loan				872580	754,799
Short term bank borrowing				-	7,802
Bank charges and commission				81,059	17,734
				953,639	780,335
30 (LOSS) PER SHARE-BASIC AND DILUTED					
(Loss) after taxation for the year in rupees				(38,809,071)	(5,600,521)
Number of ordinary shares				11,975,040	11,975,040
(Loss) per share in rupees				(3.24)	(0.47)

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The chief executive and directors have waived off their remunerations and meeting fees for the year. One director is entitled for maintenance of two cars. No employee of the company fall under the definition of executive as defined in the Companies Ordinance, 1984.

	JUNE 30, 2013.			JUNE 30, 2012.		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Meeting fees	-	-	-	-	-	-
Remunerations	-	-	504,150	-	-	443,235
	-	-	504,150	-	-	443,235
Number of persons	-	6	1	-	6	1

31.1 Chief executive of the company has waived his remuneration and meeting fees.

31.2 Directors of the company have waived their remuneration.

32 FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

The company has exposures to the following risks from its use of financial instruments.

- 32.1 Credit risk
- 32.2 Liquidity risk
- 32.3 Market risk

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and monitoring the company's risk management policies.

32.1 Credit risk

32.1.1 Exposure to credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade debts, loans and advances, trade deposits and cash and bank balances. Out of total financial assets of Rs. 51.02 million (June 30, 2012 : Rs. 51.778 million), financial assets which are subject to credit risk aggregate to Rs. 50.38 million (June 30, 2012 : Rs. 51.78 million). The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows.

	2013 Rupees	2012 Rupees
Long term deposit	610,931	610,931
Trade debts	5,198,409	35,622,679
Other financial assets	6,088,200	9,725,664
Loans and advances	-	30,000
Other receivables	3,632,293	1,935,544
Cash and bank balances	35,491,021	3,853,625
	51,020,854	51,778,443

32.1.2 The maximum exposure to credit risk for trade debts at the balance sheet date by geographical region is as follows.

Domestic	5,198,409	35,622,679
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32.1.3 The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows.

Power	-	29,094,180
Yarn	4,158,727	5,488,817
Waste	1,039,682	1,039,682
	5,198,409	35,622,679

32.1.4 The aging of trade debtors at the balance sheet is as follows.

	Gross debtors	
	2013 Rupees	2012 Rupees
Past due more than 1 year	5,198,409	5,198,409

32.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

2013					
Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	One to five years	More than five years
Rupees					
Non - derivative Financial liabilities					
Long term financing	4,153,833				4,153,833
Long term financing from directors	-				
Liability against assets subject to finance lease	-				
Trade and other payables	3,837,477	3,837,477			
Accrued mark up / interest	1,008,153			872,580	135,573
Short term borrowings	-				
	8,999,463	-	3,837,477	-	872,580
					4,289,406

2012					
Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	One to five years	More than five years
Rupees					
Non - derivative Financial liabilities					
Long term financing	72,558,131				72,558,131
Long term financing from directors	31,381,103				31,381,103
Liability against assets subject to finance lease	-				
Trade and other payables	53,388,806	49,551,329			3,837,477
Accrued mark up / interest	2,041,372		1,905,799		135,573
Short term borrowings	6,251,311				6,251,311
	165,620,724	-	49,551,329	1,905,799	-
					114,163,595

32.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rates effective as at June 30. The rates of mark up have been disclosed in relevant notes to these financial statements.

32.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

32.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposures arises from short and long term borrowings from bank and term deposits and deposits in PLS saving accounts with banks. At the balance sheet date the interest rate profile of the company's interest bearing financial instrument is as follows.

	2013 Rupees	2012 Rupees
Fixed rate instruments		
Financial liabilities	-	-
Variable rate instruments		
Financial liabilities	4,153,833	78,809,442

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for June 30, 2013.

	Profit and loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	Rupees			
Cash flow sensitivity - variable rate instruments 2013	41,538	(41,538)	-	-
Cash flow sensitivity - variable rate instruments 2012	788,094	(788,094)	-	-

32.4 Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

	2013 Rupees	2012 Rupees
32.5 Off balance sheet items		
Contingencies		
Guarantee to Sui Northern Gas Pipelines Limited	<u>5,900,000</u>	<u>5,900,000</u>
Commitments		
There is no commitments as on Balance sheet date	-	-

32.6 The effective rate of interest / mark up for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

33 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term financing, long term loan from directors and others and short term borrowings. Total capital employed includes total equity as shown in the balance sheet plus borrowings.

		2013 Rupees	2012 Rupees
Borrowings		4,153,833	96,003,214
Total equity		43,987,492	68,844,015
Total capital employed	Rupees	<u>48,141,325</u>	<u>164,847,228</u>
Gearing ratio	Percentage	8.63	58.24

34 PLANT CAPACITY AND PRODUCTION

It is difficult to describe precisely the production capacity in textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw material used, spindle speed and twist. It would also vary according to the pattern of production adopted in a particular year.

	2013 Rupees	2012 Rupees
Total number of rotors installed	-	2,832
Total number of rotors worked	-	-
Number of shifts per day	-	-
Installed capacity after conversion into 10/s count (Kgs.)	-	8.98 (m)
Actual production of yarn after conversion into 10/s counts (Kgs.)	-	-

35 POST BALANCE SHEET EVENT

There are no significant post balance sheet events.

36 ACCOUNTING ESTIMATES AND JUDGMENTS

36.1 Income taxes

The company takes into account the current income tax law and decisions taken by the appellate authorities. Instances where the company's view differs from the view taken by the income tax department at the assessment stage and where the company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities. Furthermore, the company may be able to avail the benefit of the payment of turnover tax, provided sufficient taxable profits are available in next five years when this credit can be utilized.

36.2 Staff retirement benefit-Gratuity

Certain actuarial assumptions have been adopted as disclosed in Note 18.2 to the financial statements for valuation of present value of defined benefit obligation. Any changes in these assumptions in future year might affect unrecognized gains and losses in those years.

36.3 Property, plant and equipment

The company reviews the value of the assets for possible impairment on an annual basis. Any changes in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge.

37 GENERAL

Figures have been rearranged / reclassified whenever necessary for the purpose of comparison. However, no major reclassification / rearrangement was made in these financial statements.

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on

by the board of directors of the company.

CHIEF EXECUTIVE

DIRECTOR

HAJI MOHAMMAD ISMAIL MILLS LIMITED

PATTERN OF HOLDING OF SHARES HELD BY THE SHAREHOLDERS AS AT 30TH JUNE, 2013

No. of Shareholders		Share Holding		Shares Held
59	1	To	100	1,247
19	101	To	500	8,986
91	501	To	1,000	60,916
61	1,001	To	5,000	179,654
12	5,001	To	10,000	103,449
11	10,001	To	15,000	130,000
7	15,001	To	20,000	129,320
2	20,001	To	25,000	46,000
1	25,001	To	30,000	27,000
2	30,001	To	35,000	65,000
1	35,001	To	40,000	37,000
-	40,001	To	45,000	-
2	45,001	To	50,000	93,000
-	50,001	To	55,000	-
1	55,001	To	60,000	60,000
-	60,001	To	65,000	-
-	65,001	To	70,000	-
2	70,001	To	75,000	147,235
1	75,001	To	80,000	75,400
1	80,001	To	85,000	85,000
1	85,001	To	90,000	86,000
-	90,001	To	95,000	-
2	95,001	To	100,000	195,340
-	100,001	To	150,000	-
2	150,001	To	200,000	326,280
2	200,001	To	250,000	421,545
-	250,001	To	300,000	-
-	300,001	To	350,000	-
1	350,001	To	400,000	356,525
-	400,001	To	450,000	-
-	450,001	To	500,000	-
-	500,001	To	550,000	-
2	550,001	To	600,000	1,129,962
-	600,001	To	650,000	-
-	650,001	To	700,000	-
-	750,001	To	800,000	-
-	800,001	To	850,000	-
-	850,001	To	900,000	-
-	900,001	To	950,000	-
-	950,001	To	1,000,000	-
2	1,000,001	To	1,500,000	2,262,255
1	1,500,001	To	2,000,000	1,594,650
-	2,000,001	To	2,500,000	-
-	2,500,001	To	3,000,000	-
-	3,000,001	To	3,500,000	-
-	3,500,001	To	4,000,000	-
1	4,000,001	To	4,500,000	4,353,276
-	4,500,001	To	5,000,000	-
<u>287</u>				<u>11,975,040</u>

CATEGORY WISE SUMMARY OF SHAREHOLDERS

S. No.	Category Name	No. of Shareholders	Share Held	Percentage
1.	Individuals	274	4,556,239	38.05
2.	Joint Stock Companies	9	4,458,376	37.23
3.	Financial Institutions	4	2,960,425	24.72
		<u>287</u>	<u>11,975,040</u>	<u>100.00</u>

HAJI MOHAMMAD ISMAIL MILLS LIMITED

PATTERN OF SHAREHOLDING AS PER LISTING REGULATIONS AS AT JUNE 30,2013

<u>SHARE HOLDERS' CATEGORY</u>	No.of Share held.	Percentage
1	Associated Companies, Undertaking and related parties.	
	Pak Mehran (Pvt) Limited	4,353,276 36.353
2	Mutual Funds	- -
3	CEO,Directors & their Spouses and minor children.	
	Mr.Najeeb Mushtaq Vohra (CEO)	1,254,030 10.472
	Mr.Muhammad Sarfraz	577 0.005
	Mr.Muhammad Sadiq	577 0.005
	Mr.Ikram Ahmed	525 0.004
	Mr.Mohammad Irfan	525 0.004
	Mr.Wazir Khan	525 0.004
	Mr.Essa Khan	525 0.004
4	Executives.	- -
5	Public Sector Companies & Corporation.	- -
6	Joint Stock Companies/Trust	105,100 0.878
7	Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies Takaful, Modarabas and Pension Funds.	
	Industrial Development Bank of Pakistan.	356,525 2.977
	National Bank of Pakistan	1,594,650 13.316
	Samba Bank Limited	1,008,225 8.419
	Investment Corp.of Pakistan.	1,025 0.009
8	Individuals.	3,298,955 27.549
	Total	11,975,040 100.000
9	Shareholders holding 5% or more voting rights in the listed company.	
	Pak Mehran (Pvt)Ltd	4,353,276 36.353
	Najeeb Mushtaq Vohra	1,254,030 10.472
	National Bank of Pakistan	1,594,650 13.316
	Samba Bank Limited	1,008,225 8.419

HAJI MOHAMMAD ISMAIL MILLS LIMITED

FORM OF PROXY 33RD ANNUAL GENERAL MEETING

I/We _____ of _____ in the district of _____ being a member(s) of the HAJI MOHAMMAD ISMAIL MILLS LIMITED holding _____ ordinary share, hereby appoint _____ of _____ or failing him/her _____ of _____ who is/are also member(s) HAJI MOHAMMAD ISMAIL MILLS LIMITED vide Registered Folio No. _____ as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Saturday, 26 October, 2013 at 4 p.m. at 409 Commerce Centre, Hasrat Mohani Road, Karachi and/or any adjournment thereof.

Folio No.
CDC A/c No.

Affix Five
Rupees Revenue Stamp

Signature _____
(Signature should be agree with the specimen signature registered with the company)

Signed on _____

NOTE:

1. No person shall act as proxy unless he/she himself/herself is a member of the Company, except that a corporation may appoint a person who is not a member.
2. In the case of bank or company, the proxy form must be executed under its common seal and signed by its authorized person.
3. If this proxy form is signed under power of attorney then a notarilly certified copy of that power of attorney/authority must be deposited alongwith this proxy form.
4. Proxy form duly completed and signed, must be received at the registered office of the company at 409 Commerce Centre, Hasrat Mohani Road, Karachi at least 48 hours before the time of holding the meeting.
5. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.
6. In case of CDC account holders:
 - i) The proxy form shall be witnessed by two persons whose names, address and NIC numbers shall be mentioned on the form
 - ii) Attested copies of NIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iii) The proxy shall produce his original NIC or Original passport at the time of meeting.

Witness: 1. _____

2. _____

