

# **ANNUAL REPORT**

**FOR THE YEAR ENDED**

**JUNE 30, 2012**

*Haji Mohammad Ismail*

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**Mills Limited**

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**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	A. R Khan & Co. Chartered Accountants 33-A, 6 <sup>th</sup> Floor, Arkey Square Ext. Shahrah-e-Liaquat, 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	408-Commerce Centre, Hasrat Mohani Road, Karachi-74200
Mills	G-6/A, S.I.T.E. Kotri. Sindh

### **VISION STATEMENT**

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

### **MISSION STATEMENT**

The company has taken on a mission to improve its electric power generation capacity, profitability and meet its financial commitments, improve the remuneration of its 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 32nd Annual General meeting of the shareholders will be held at the mills at G-6/A, SITE, Kotri, Sindh on Wednesday the 31st October, 2012 at 9.30 a.m. to transact the following business.

1. To confirm the minutes of the last AGM held on 31<sup>st</sup> October, 2011
2. To receive, consider and adopt the report of Directors, Auditors and the audited accounts of the company for the year ended June 30,2012
3. To appoint the auditors for the year ending 30<sup>th</sup> June, 2013 and fix their remuneration. The retiring auditors M/s. A.R. Khan & Co., Chartered Accountants not offers themselves for reappointment.
4. To consider any other business with the permission of the Chair.

By order of the Board  
Company Secretary

Karachi: October 09, 2012

Notes:

1. The share transfer books of the company will remain closed from 25th October 2012 to 31st October 2012 (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 32nd annual report for the year ended June 30, 2012 to the members' alongwith audited accounts for the same period.

AN OVERVIEW

Textile industry is still facing hardship due to inconsistent monitory policies, increasing input cost, bad economic condition and worst law and order situation Due to heavy losses, company was facing a liquidity crunch. Bankers of the company did not renew the credit lines. The management was forced to suspend its yarn manufacturing unit in October, 2007. Furthermore, due to technological innovation, machinery has become technologically obsolete and not getting positive response from the market.

MATERIAL CHANGES

Looking the economy condition and energy crises and old and obsolete machinery, management of the company decided to enhance its power generation capacity and sell to DISCOs, dispose of its old and obsolete machinery and pay off its liabilities in an orderly manner. Sale of fixed assets could not materialize due to pending issues in the Courts. There were no material changes other than as mentioned above and in the financial statements.

OPERATING RESULTS

The financial results have been as follows:

	2012	2011
Sales	Rs. 22,655,143	27,910,835
Loss before taxation	Rs. (5,600,521)	(388,876)

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. (0.47)

## CURRENT AND FUTURE OUTLOOK

The Board in its revival plan of the company got Electric Power Generation licence from NEPRA to produce electricity upto December 15, 2021 and enhance its electric power generation capacity. Through these efforts, we will be able to improve the financial position of the company, restore its profitability and to repay its creditors. However the board has decided to continue the supply of electricity to HESCO.

## 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	2
Mr. Wazir Khan	3
Mr. Ikram Ahmed	4

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

Haji Mohammad Ismail Mills Limited provides and maintains, so far as reasonably practicable, plant equipments, systems, and working conditions which are safe and without risk to the health of all employees and public. Management has maintained safe environment in all its operations throughout the year.

SHARE HOLDING IS ANNEXED TO THIS REPORT  
OPERATING AND FINANCIAL RESULTS  
AUDITORS

The present auditors of the company M/s. A. R. Khan retire and not offer themselves for reappointment recommended the board to consider and appoint new auditors for the year ending 30, 2013.

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 Stock Exchanges.

STATEMENT OF DIRECTORS RESPONSIBILITIES UNDER 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 Stock Exchanges. The Company complies with the Code of Corporate Governance in a manner.

The financial statements, prepared by the management of the Company, present a true and fair view of the state of affairs, the result of its operations, cash flows and changes in financial position of the company have been maintained.

The books of accounts of the company have been consistently applied in preparation of the financial statements, as applicable in Pakistan, have been audited and any departure therefrom has been explained.

The internal control is sound in design and has been effectively operating. The management has taken necessary steps upon the Company's ability to continue as a going concern.

- g) There has been no 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. Ikram Ahmed    | - | Member   |
| 3. Mr. Wazir Khan     | - | 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

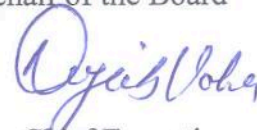
results alongwith directors review on the operations and future outlook of the company. All the interim and final reports are sent to The Karachi Stock Exchange and at the registered addresses of the shareholders.

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 09, 2012

# 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.

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**KEY OPERATING & FINANCIAL RESULTS**  
**FOR THE YEARS 2007-2012**

OPERATING DATA	2,012	2,011	2010	2009	2008	2007
Sales	22,655,143	27,910,835	27,900,294	93,431,585	70,342,912	263,751,395
Cost of goods sold	28,036,803	27,106,342	27,466,807	94,091,551	79,314,854	246,313,025
Gross profit/(loss)	(5,381,660)	804,493	433,487	(659,966)	(8,971,942)	17,438,370
Operating Profit/(loss)	(4,820,186)	4,028,670	(1,116,734)	(3,304,343)	(13,656,872)	4,749,119
Profit/(loss) before Taxation	(5,600,521)	(388,878)	(5,322,387)	(13,266,454)	(22,910,347)	(33,690,715)
Profit/(loss) after Taxation	(5,600,521)	(1,296,903)	1,923,342	(18,029,041)	(18,728,850)	(39,356,833)
<b>FINANCIAL DATA</b>						
Paid up capital	119,750,400	119,750,400	119,750,400	119,750,400	119,750,400	119,750,400
Equity balance	68,844,015	74,077,580	70,612,286	65,434,333	78,938,101	94,403,387
Fixed assets	212,828,425	204,145,629	204,614,258	210,696,634	218,740,923	221,673,538
Current assets	58,096,462	46,504,705	46,343,402	43,591,390	69,530,820	128,862,415
Current liabilities	103,768,946	73,199,302	62,825,367	59,377,666	10,393,606	146,174,025
<b>KEY RATIOS</b>						
Gross margin	(23.75)	2.88	1.55	(0.71)	(12.75)	6.61
Operating Margin	(21.28)	14.43	(4.00)	(3.54)	(19.41)	1.80
Net Profit/(Loss)	(24.72)	(4.65)	6.89	(19.30)	(26.63)	(14.92)
Return on capital employed	(8.14)	(1.75)	2.72	(27.55)	(23.73)	(41.69)
Current ratio	1.79	1.57	1.36	1.36	1.57	1.13
Earning per share(Rs)	(0.47)	(0.11)	0.16	(1.51)	(1.60)	(3.37)
Cash dividend	-	-	-	-	-	-
<b>STATISTICS</b>						
Number of rotors	2,232	2,232	2,232	2,232	2,232	2,233
Production into 10/s	-	-	-	-	0.35(m)	2.61(m)
Count ( in Kg's)	-	-	-	-	-	-

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

Name of Company: HAJI MOHAMMAD ISMAIL MILLS LIMITED

Year Ending: 30th June, 2012

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 NBFBI 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 9, 2012



## REVIEW REPORT TO THE MEMBERS

### *On the Statement of Compliance with Best Practices of the 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** to comply with the Listing Regulation No. 35 (previously Regulation No. 37) of the Karachi Stock Exchange (Guarantee) Limited and Chapter XIII of Lahore Stock Exchange (Guarantee) 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 our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub- Regulation (xiii a) of Listing Regulation No. 35 (previously Regulation No. 37) notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 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 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 the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price

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 respect, with the best practices contained in the Code of Corporate Governance as applicable to the company for the year ended June 30, 2012.

Karachi: October 09, 2012

  
  
**A.R. KHAN & COMPANY**  
CHARTERED ACCOUNTANTS  
Engagement Partner:  
Maqsood Raza, FCA.



### AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of **Haji Muhammad Ismail Mills Limited** as at June 30, 2012 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 purpose 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 the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verifications, we report that;

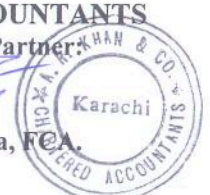
- (a) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984; and are in agreement with the books of account and are further in accordance with accounting policies consistently applied.
- (b) In our opinion;
  - (i) the Balance Sheet and profit 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 accounts and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2012 and of the loss, comprehensive loss, its cash flows and changes in equity for the year then ended; and
- (d) In our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980
- (e) Without qualifying our opinion, we draw attention to note 1.2 in the financial statements which indicates that the company incurred a net loss of Rupees 5.60 million during the year ended June 30, 2012 and, as of that date, the company's current liabilities exceeds its current assets by 45.67 million. These conditions, along with other matters as set forth in note 1.2 indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

KARACHI: October 09, 2012

**A.R. KHAN & COMPANY**  
CHARTERED ACCOUNTANTS

Engagement Partner:

*Maqsood Raza*  
Maqsood Raza, FCA.



# HAJI MOHAMMAD ISMAIL MILLS LIMITED

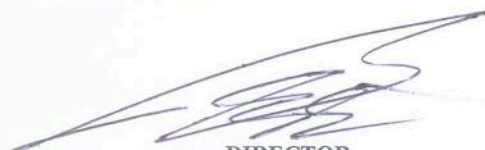
Balance Sheet As at June 30, 2012

ASSETS	NOTES	As at June, 30 2012 RUPEES	As at June, 30 2011 RUPEES
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	212,828,425	204,145,629
LONG TERM DEPOSITS		610,931	610,931
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	6	5,223,750	5,244,550
Stock in trade	7	786,609	786,609
Trade debts	8	35,622,679	19,181,484
Short term investments	9	70,104	58,813
Loan and advances	10	948,591	1,581,965
Trade deposits and short term prepayments	11	9,655,560	9,655,560
Other receivables	12	1,935,544	3,426,054
Cash and bank balances	13	3,853,625	6,569,670
		58,096,462	46,504,705
<b>TOTAL ASSETS</b>		<b>271,535,818</b>	<b>251,261,265</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised Capital</b>			
12,000,000 (2011: 12,000,00) ordinary shares of Rs10 each		120,000,000	120,000,000
Issued, subscribed and paid up capital	14	119,750,400	119,750,400
Reserves		(50,906,385)	(45,672,820)
		68,844,015	74,077,580
Surplus on revaluation of property plant and equipment	15	53,299,784	53,666,740
<b>NON-CURRENT LIABILITIES</b>			
LONG TERM LOANS	16	31,381,103	36,087,044
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	17	-	-
DEFERRED LIABILITIES	18	14,241,971	14,230,599
<b>CURRENT LIABILITIES</b>			
Trade and other payables	19	53,388,807	18,343,094
Accrued Mark-up on loans	20	2,041,372	3,489,772
Short term bank borrowings	21	6,251,311	6,251,311
Current portion of long term liabilities	22	42,087,456	44,696,515
Provision for taxation		-	418,610
		103,768,946	73,199,302
CONTINGENCIES AND COMMITMENTS	23	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>271,535,819</b>	<b>251,261,265</b>

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



CHIEF EXECUTIVE



DIRECTOR



CFO

Karachi: October 09, 2012

# HAJI MOHAMMAD ISMAIL MILLS LIMITED

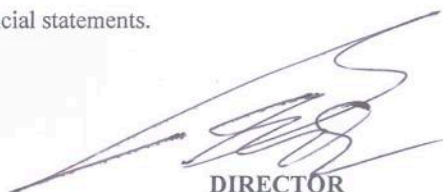
## Profit and Loss Account for the year ended June 30, 2012

	NOTES	June,30 2012 RUPEES	June,30 2011 RUPEES Restated
Sales- Net	24	22,655,143	27,910,835
Cost of sales	25	<u>(28,036,803)</u>	<u>(27,106,342)</u>
Gross (loss) / profit		(5,381,660)	804,493
<b>Operating expenses</b>			
Administrative expenses	26	(2,077,676)	(2,168,117)
Other operating income	27	2,639,150	5,392,294
Operating ( loss) / profit		<u>(4,820,186)</u>	<u>4,028,670</u>
Finance cost	28	(780,335)	(4,417,548)
<b>(Loss) before taxation</b>		<u>(5,600,521)</u>	<u>(388,878)</u>
Taxation	29	-	(908,025)
<b>Net (Loss)</b>		<u>(5,600,521)</u>	<u>(1,296,903)</u>
(loss) per share-basic and diluted	30	<u>(0.47)</u>	<u>(0.11)</u>

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



CHIEF EXECUTIVE



DIRECTOR



CFO

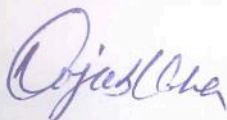
Karachi: October 09,2012

# HAJI MOHAMMAD ISMAIL MILLS LIMITED

## Statement of Comprehensive Income for the year ended June 30, 2012


	June,30 2012 RUPEES	June,30 2011 RUPEES
(Loss) for the year after taxation	(5,600,521)	(1,296,903)
No comprehensive income for the year		
Total comprehensive (Loss) for the year	<u>(5,600,521)</u>	<u>(1,296,903)</u>

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



CHIEF EXECUTIVE

Karachi: October 09, 2012

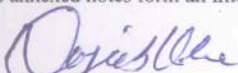
  
CFO  
DIRECTOR

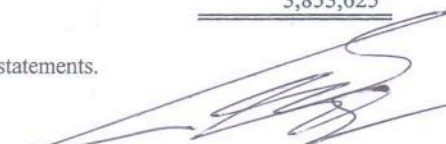

# HAJI MOHAMMAD ISMAIL MILLS LIMITED

## Cash Flow Statement for the year ended June 30, 2012

	June,30 2012 RUPEES	June,30 2011 RUPEES
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(5,600,521)	(388,878)
<b>Adjustments for non cash charges and other items</b>		
Depreciation	1,294,446	2,276,836
Provision for gratuity	92,500	78,732
Finance cost net	780,335	4,417,548
Fair value adjustment of investment	(11,291)	-
	2,155,990	6,773,116
Profit before working capital changes	(3,444,531)	6,384,238
<b>(Increase)/decrease in current assets:</b>		
Stocks, stores and spares	20,800	75,908
Trade debts	(16,441,195)	9,531,454
Loan and advances	704,148	995,894
Trade deposits and short term prepayments	-	(5,954,486)
Other receivables	1,490,511	(1,490,511)
	(14,225,736)	3,158,259
<b>Increase / (decrease) in current liabilities:</b>		
Trade creditors, accrued and other liabilities	35,045,713	(710,489)
Cash generated from operations	17,375,446	8,832,008
<b>Payments for:</b>		
Taxes paid	(489,387)	(337,517)
Gratuity paid	(81,127)	-
Finance cost - net paid	(2,228,735)	(3,634,841)
	(2,799,249)	(3,972,358)
<b>Net cash from / (used in) operating activities</b>	<b>14,576,197</b>	<b>4,859,650</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchased of plant and machinery	(9,977,242)	(7,766,152)
Proceeds from disposal of fixed assets	-	5,957,945
	(9,977,242)	(1,808,207)
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase / (Decrease) in long term loan	(7,315,000)	(20,000)
Short term loan	-	(49,398)
	(7,315,000)	(69,398)
Net (decrease) / increase in cash and cash equivalents	(2,716,045)	2,982,045
Cash and cash equivalents at beginning of the year	6,569,670	3,587,625
Cash and cash equivalents at end of the year	3,853,625	6,569,670

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

  
CHIEF EXECUTIVE

   
DIRECTOR CFO

Karachi: October 09,2012

## HAJI MOHAMMAD ISMAIL MILLS LIMITED

### Statement of Changes in Equity for the year ended June 30, 2012

	Issued subscribed and paid-up capital Rupees	Reserves			Total Rupees
		Capital Share premium Rupees	Revenue		
			Accumulated/ (Loss) Rupees	Sub total Rupees	
Balance as at June 30, 2010	119,750,400	6,912,000	(56,050,114)	(49,138,114)	70,612,286
Transferred from Surplus on revaluation on account of Incremental Depreciation charged in current year			947,983	947,983	947,983
Surplus on revaluation relating to desposal of assets			3,814,214	3,814,214	3,814,214
Total Comprehensive (loss) for the year ended June 30, 2011			(1,296,903)	(1,296,903)	(1,296,903)
Balance as at June 30, 2011	119,750,400	6,912,000	(52,584,820)	(45,672,820)	74,077,580
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 year			366,956	366,956	366,956
Total Comprehensive (loss) for the year ended June 30, 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

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

  
Chief Executive

  
Director

  
CFO

Karachi: October 09, 2012

**HAJI MOHAMMAD ISMAIL MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**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 company has ceased its production of yarn since October 01, 2007. Company has incurred a loss for the year ended June 30, 2012 of Rupees 5.60 million (June 30, 2011: Rupees 1.29 million) and as of that date, reported accumulated losses of Rupees 57.81 million (June 30, 2011: Rupees 52.58 million). The net assets of company are of amounting Rupees 68.84 million (June 30, 2011 : Rupees 74.07 million) and the current liabilities exceeded its current assets by Rupees 45.67 million (June 30, 2011: Rupees 26.69 million) as of that date. Due to these conditions along with adverse key financial ratios, bankers of the company shown their inability to renew its borrowings facilities. Legal cases against the company as mentioned in note 23.1.1 (contingencies and commitment) indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. On the other hand as a revival plan, management has got Electric Power Generation license from NEPRA to produce electricity upto December 15, 2021 and signed an agreement to supply of electricity to HESCO. Management is confident that by increase of power generation capacity from 1.9 MW to 3.7 MW and with the help of sale of electricity to HESCO and continuous support from directors, they would be able to improve the financial position, restore its profitability and to repay its creditors. Management is also committed and taking active steps to enhance the power generation capacity in future. Accordingly, these financial statements have been prepared on going concern assumption.

The sales of electricity to HESCO continues. Through the sale of electricity the company has been able to earn a small amount to repay its creditors.

**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 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 the requirements of IFRS or IFAS, the requirements of The Companies Ordinance, 1984 or the requirements of the said directives prevail.

**2.2 Initial application of standards, amendments or an interpretation to existing standards**

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

**2.2.1 Amendments to published standards effective in current year**

- IFRS 7, (Amendments), 'Financial instruments: disclosures', emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. The application of this amendment has no material impact on the Company's financial statements.
- IAS 1, (Amendments), 'Presentation of financial statements', clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Accordingly, the Company has presented analysis of other comprehensive income for each component of equity in the statement of changes in equity.
- IAS 24, (Revised), 'Related party disclosures', issued in November 2009 supersedes IAS 24, 'Related Party Disclosures', issued in 2003. The revised standards clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the Government and other government-related entities. The application of this standard has impacted the related part disclosures in the Company's financial statements.

- IAS 27, (Amendments), 'Consolidated and separate financial statements', clarifies that the consequential amendments from IAS 27 made to IAS 21, 'The effect of changes in foreign exchange rates', IAS 28 'Investments in associated' and IAS 31, 'Interests in joint ventures', apply prospectively for annual periods beginning on or after July 01, 2009, or earlier when IAS 27 is applied earlier. The application of this amendment has no material impact on the Company's financial statements.
- IAS 32, 'Financial instruments presentation-classification of right issues', issued in October 2009 addresses the accounting for right issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such right issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The application of the amendment has no material impact on the Company's financial statements.
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. The application of this interpretation has no material impact on the Company's financial statements.
- IFRIC 14 (Amendment), "Prepayments of a minimum funding requirement". The amendments corrects an unintended consequence of IFRIC 14, 'IAS19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendment, entities are not permitted to recognize as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this. The application of this amendment has no material impact on the Company's financial statements.

#### 2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following amendments and interpretations to existing standards have been published and are mandatory for the company's accounting periods beginning on or after their respective effective dates:

- IFRS 7 (Amendments), 'Financial instruments disclosure'. These are applicable on accounting periods beginning on or after July 01, 2011. These amendments arise from the IASB's review of off-balance sheet activities. The amendments shall promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial assets. Earlier application is permitted. The Company shall apply these amendments from January 01, 2012 and does not expect to have a material impact on its financial statements.
- IFRS 9, 'Financial instruments; addresses the classification, measurement and recognition of financial assets and financial liabilities. The standard is not applicable until January 01, 2013 but is available for early adoption. This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that shall replace IAS 39, 'Financial instruments'. Recognition and measurement'. IFRS 9 has two measurement categories; amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivative. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change shall mainly affect financial institutions. There shall be no impact on the company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss, and the Company does not have any such liabilities.
- IFRS 12 'Disclosures of interest in other entities'. This is applicable on accounting periods beginning on or after January 01, 2013. This standard includes the disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. The Company shall apply this standard from January 01, 2012 and does not expect to have a material impact on its financial statements.
- IFRS 13 'Fair value measurement'. This is applicable on accounting periods beginning on or after January 01, 2013. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Company shall apply this standard from January 01, 2013 and does not expect to have a material impact on its financial statements.

- IAS 1 (Amendments), 'Presentation of financial statements'. This is applicable on accounting periods beginning on or after July 01, 2012. The main change resulting from these amendment is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially recycled to profit and loss (reclassification adjustments). The amendment does not address which items are presented in OCI. The Company shall apply this amendment from January 01, 2013 and does not expect to have a material impact on its financial statements.
- IAS 19 (Amendments), 'Employees benefits' is applicable on accounting periods beginning on or after January 01, 2013. The amendment shall eliminated the corridor approach and calculated finance costs on a net funding basis. The Company shall apply this amendment from January 01, 2013 and does not expect to have a material impact on its financial statements.
- IAS 27 (Revised 2011), 'Separate financial statements' includes the provisions on separate financial statements that are left after the control of IAS 27 have been included in the new IFRS 10. The revised standard is applicable for accounting periods beginning on or after January 01, 2013. The Company shall apply this standard from January 01, 2013 and does not expect to have a material impact on its financial statements.

### 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, 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.

4.2 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 at		(Deletion)	Addition	Cost/Revaluation at 30.06.2012	Accumulated Depreciation 1.07.2011	Increase (Decrease) Adjustment	Accumulated Depreciation 30.06.2012	Book Value at		Rate %	Depreciation for the period
	01.07.2011	30.06.2012							01.07.2011	30.06.2012		
Leasehold land	17,308,466	17,308,466			17,308,466	358,697		443,446	16,865,020	16,865,020	0.50	84,749
Factory building on lease hold land	62,797,757	62,797,757			62,797,757	14,881,541		15,121,122	47,676,635	47,676,635	0.50	239,581
Office building on lease hold land	422,609	422,609			422,609	145,991		147,374	275,235	275,235	0.50	1,383
Godown on leasehold land												
Labour colony	11,880,362	11,880,362			11,880,362	3,425,972		3,468,244	8,412,118	8,412,118	0.50	42,272
Plant and Machinery	246,068,371	246,068,371		9,977,242	256,045,613	121,592,097		122,488,596	133,557,017	133,557,017	5.00	896,498
Office equipment	242,114	242,114			242,114	115,771		116,403	123,711	123,711	0.50	632
Motor vehicle	941,426	941,426			941,426	861,429		861,430	79,996	79,996	-	1
Leased Assets:	339,661,105	339,661,105		9,977,242	349,638,347	141,381,499		142,646,615	206,991,732	206,991,732		1,265,116
Plant and Machinery	31,158,171	31,158,171			31,158,171	25,292,148		25,321,478	5,866,023	5,866,023	0.50	29,330
<b>TOTAL 30 JUN, 2012 Rupees</b>	<b>370,819,276</b>	<b>370,819,276</b>	<b>-</b>	<b>9,977,242</b>	<b>380,796,518</b>	<b>166,673,647</b>	<b>-</b>	<b>167,968,093</b>	<b>204,145,629</b>	<b>212,828,425</b>		<b>1,294,446</b>
<b>TOTAL 30 JUN, 2011 Rupees</b>	<b>370,731,679</b>	<b>370,819,276</b>	<b>(7,678,555)</b>	<b>7,766,152</b>	<b>370,819,276</b>	<b>166,117,421</b>	<b>(1,720,610)</b>	<b>166,673,647</b>	<b>204,414,258</b>	<b>204,145,629</b>		<b>2,276,836</b>

5.1 Revaluation of fixed assets was carried out on September 27, 2002 and January 20, 2007 by M/s Asif Associates (Pvt.) Ltd, an approved independent valuer. Revaluation is worked on depreciated replacement value basis.

Had the revalued fixed assets not been revalued then cost, accumulated depreciation and WDV would be as follows.

Categories	Cost	Accumulated depreciation	WDV
Leasehold land	381,562	16,712	364,850
Factory building	30,535,103	7,856,778	22,678,325
Office building	157,806	96,436	61,370
Labour colony	10,806,584	2,394,466	8,412,118
Plant and machinery	39,844,345	15,823,209	24,021,136

5.2 Property plant and equipment has not been classified as held for sales, as the criteria of para 7 and para 8 of IFRs-5 were not met

	June 2012 RUPEES	June 2011 RUPEES
6	<b>STORE, SPARES AND LOOSE TOOLS</b>	
	2,540,746	2,561,546
	1,599,162	1,599,162
	1,083,842	1,083,842
	<u>5,223,750</u>	<u>5,244,550</u>
7	<b>STOCK IN TRADE</b>	
	<u>786,609</u>	<u>786,609</u>
8	<b>TRADE DEBTS (Considered good)</b>	
	<u>35,622,679</u>	<u>19,181,483</u>
9	<b>SHORT TERM INVESTMENTS</b>	
	June 2012 RUPEES	June 2011 RUPEES
	<b>Held for trading:</b>	
	<b>Quoted:-</b>	
	358,886	358,886
	First Equity Modaraba 47,050 fully paid ordinary shares of Rs.10/- each, market value Rs.70,104 (2011: Rs.58,813)	
	Less: (Provision for diminution in value of investments)/fair value adjustments	
	<u>(288,782)</u>	<u>(300,073)</u>
	<u>70,104</u>	<u>58,813</u>
10	<b>LOANS AND ADVANCES</b>	
	June 2012 RUPEES	June 2011 RUPEES
	Unsecured- Considered good	
	Advances :	
	-	734,148
	30,000	-
	918,591	847,817
	<u>948,591</u>	<u>1,581,965</u>
11	<b>TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>	
	June 2012 RUPEES	June 2011 RUPEES
	570,000	570,000
	9,085,560	9,085,560
	<u>9,655,560</u>	<u>9,655,560</u>
12	<b>OTHER RECEIVABLES</b>	
	-	615,965
	1,935,544	1,935,544
	-	874,546
	<u>1,935,544</u>	<u>3,426,055</u>

	June 2012 RUPEES	June 2011 RUPEES
<b>13 CASH AND BANK BALANCES</b>		
Cash at bank in current accounts	460,879	5,044,834
Cash in hand	3,392,746	1,524,836
	<u>3,853,625</u>	<u>6,569,670</u>
<b>14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>	<b>June 2012 RUPEES</b>	<b>June 2011 RUPEES</b>
9,576,240 (2011: 9,576,240) Ordinary shares of Rs.10 each allotted for consideration paid in cash (Note 14.1)	95,762,400	95,762,400
2,398,800 (2011 : 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>
4,353,276 Ordinary share held by associate company		
14.1 There has been an issue of 1,995,840 right share		
14.2 The Company has one class of ordinary shares which carry no rights to fixed income		
<b>15 SURPLUS ON REVALUATION OF FIXED ASSETS</b>		
Surplus on revaluation	53,666,740	57,901,282
Less:		
Transferred to accumulated loss on account of incremental depreciation for the year	(366,956)	(947,983)
Deferred tax relating to surplus amount	-	527,655
Surplus on revaluation relating to disposal of assets	-	(3,814,214)
	<u>53,299,784</u>	<u>53,666,740</u>
<b>16 LONG TERM LOANS</b>	<u>31,381,103</u>	<u>36,087,044</u>
<b>From Banking Companies</b>		
Opening balance	22,890,941	-
Add:- Restructure during the year	-	32,962,948
	<u>22,890,941</u>	<u>32,962,948</u>
Less:- Transfer to current maturity	(22,890,941)	(10,072,007)
	<u>-</u>	<u>22,890,941</u>
(Note 16.1)		
16.1 The loans are secured against second charge on all fixed assets of the company and personal guarantees of sponsoring directors and the mark-up rate is average one month kibar (2011 one month kibar .) The loans are repayable in 36 monthly instalments by July 01, 2014 . First instalment repayment to commence from August 01, 2011		
<b>Related parties</b>		
From Directors, Sponsors and private Companies (Note 16.2)		
Directors/Sponsors	23,593,912	9,378,912
Others	7,787,191	3,817,191
	<u>31,381,103</u>	<u>13,196,103</u>
16.2 These are unsecured , interest free and repayable after more than one year as per mutual agreement.	<u>31,381,103</u>	<u>36,087,044</u>

		June 2012 RUPEES	June 2011 RUPEES
17	<b>LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>		
	Minimum lease payment		
	Up to one year	47,730,070	47,730,070
	More than one year	-	-
		<u>47,730,070</u>	<u>47,730,070</u>
	Less: financial charges		
	Up to one year	17,259,395	17,259,395
	More than one year but less than five years	-	-
		<u>17,259,395</u>	<u>17,259,395</u>
	Present value of minimum lease payment		
	Up to one year	30,470,675	30,470,675
	More than one year but less than five years	-	-
		<u>30,470,675</u>	<u>30,470,675</u>
	Less: Current portion shown under current liabilities (Note: 22)	<u>(30,470,675)</u>	<u>(30,470,675)</u>
		<u>-</u>	<u>-</u>

Lease rental include financial charges and the average rate of mark up is 17% per annum which has been used as discounting factor and is payable on monthly basis.

The balances stated above include amounts which the company does not acknowledge. However, provision in accounts are as per claim of leasing company. (see also note 22 )

The company has an option to purchase the assets upon completion of lease period.

Taxes, repairs, replacement & insurance are borne by lessee. In case of termination of agreement lessee is to pay entire rent for unexpired period.

#### 18 DEFERRED LIABILITIES

DEFERRED TAX	Note 18.1	13,952,548	13,952,548
GRATUITY	Note 18.2	289,423	278,050
		<u>14,241,971</u>	<u>14,230,598</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 / (liabilities)	<u>13,952,548</u>	<u>13,952,548</u>

##### 18.2 Staff gratuity

Current Service cost	65,369	77,735
Interest cost	24,006	21,462
Actuarial (gain)/loss charged to income	3,125	(20,465)
	<u>92,500</u>	<u>78,732</u>

Movements in the net liability are as follows:

Opening balance	278,050	199,318
Less: payment made during the year	(81,127)	-
	<u>196,923</u>	<u>199,318</u>
Add: provision during the year (Note 25)	92,500	78,732
	<u>289,423</u>	<u>278,050</u>

The amounts recognized in the balance sheet are as follows:

Present value of defined benefit obligation	224,938	224,938
Un recognised actuarial gain / loss	64,485	53,112
	<u>289,423</u>	<u>278,050</u>

The principal assumption used in the valuation of gratuity are as follows:

Discount rate	12%	12%
Expected rate of salary increase	5%	5%
Average expected remaining working life of the employees	14 years	15Years

	June 2012 RUPEES	June 2011 RUPEES
<b>19 TRADE AND OTHER PAYABLES</b>		
Creditors	4,164,542	11,831,842
Offer money received against assets	41,053,233	-
Accrued expenses	7,468,196	6,509,195
Withholding income tax	-	2,056
	<u>53,388,807</u>	<u>18,343,094</u>
<b>20 ACCRUED MARK-UP ON LOANS</b>		
Long term loan	135,573	135,573
Short term loans	1,905,799	3,354,199
	<u>2,041,372</u>	<u>3,489,772</u>
<b>21 SHORT TERM BANK BORROWINGS (Secured)</b>		
Short term borrowing under markup arrangements.	<u>6,251,311</u>	<u>6,251,311</u>

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	30,470,675	30,470,675
Banking Companies (Note 22.1)	7,462,948	10,072,007
	<u>42,087,456</u>	<u>44,696,515</u>

22.1 Banking Companies:-

Opening balance	10,072,007	-
Add:- Current maturity	22,890,941	10,072,007
	<u>32,962,948</u>	<u>10,072,007</u>
Less:- Payment made during the year	(25,500,000)	-
	<u>7,462,948</u>	<u>10,072,007</u>

**23 CONTINGENCIES AND COMMITMENTS**

23.1 CONTINGENCIES:

23.1.1 The company has filed suit for rendition of accounts. The company claims that Rs. Nil is outstanding whereas the leasing company claims amounts as provided in note 17. It is expected that the company has a good case.

23.2 COMMITMENTS

Letter of guarantee issued by commercial bank for securing gas bill 5.7 (m) 5.7 (m)

	<u>Power Division</u>	<u>Spinning Division</u>		
	<u>June 2012</u>	<u>June 2012</u>	<u>June 2012</u>	<u>June 2011</u>
	<u>RUPEES</u>	<u>RUPEES</u>	<u>RUPEES</u>	<u>RUPEES</u>
14 SALES- NET				<u>Restated</u>
Local	22,634,343	20,800	22,655,143	27,910,835
15 COST OF SALES				
Opening stock of raw material	-	786,609	786,609	786,609
Closing stock of raw material	-	786,609	786,609	786,609
	-	-	-	-
Stores and spares consumed	5,329,053	-	5,329,053	5,902,951
Generator rent	10,050,000	-	10,050,000	8,550,000
Salaries, wages and benefits (Note 25.1)	2,807,401	-	2,807,401	2,616,662
In house use of electric power and water charges	8,036,898	-	8,036,898	6,142,699
Insurance	-	-	-	107,964
Repairs and maintenance	519,005	-	519,005	1,509,229
Depreciation (Note 5)	896,498	397,948	1,294,446	2,276,836
	<u>27,638,855</u>	<u>397,948</u>	<u>28,036,803</u>	<u>27,106,340</u>
	<u>27,638,855</u>	<u>397,948</u>	<u>28,036,803</u>	<u>27,106,340</u>
	<u>27,638,855</u>	<u>397,948</u>	<u>28,036,803</u>	<u>27,106,340</u>

25.1 This includes Rs. 92,500 as staff retirement benefits for the year (2011: Rs 78,732 ).

26 ADMINISTRATIVE EXPENSES				
Salaries benefits and allowances	349,853	-	349,853	352,824
Remuneration to chief executives, directors and executives (Note 26.1)	443,235	-	443,235	468,900
Traveling and conveyance	113,836	-	113,836	130,658
Printing and stationery	39,274	-	39,274	27,941
Communication expenses	91,143	-	91,143	75,597
Rent, rates and taxes	71,695	-	71,695	76,370
Vehicle running and maintenance	29,077	-	29,077	18,270
Audit fee (Note 26.2)	160,000	-	160,000	160,000
Fees, subscription and periodicals	770,563	-	770,563	848,557
Computer expenses	9,000	-	9,000	9,000
	<u>2,077,676</u>	<u>-</u>	<u>2,077,676</u>	<u>2,168,117</u>

#### 26.1 REMUNERATION TO CHIEF EXECUTIVES , DIRECTORS AND EXECUTIVES

	<u>2012</u>	<u>2012</u>	<u>2011</u>	<u>2011</u>
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
	<u>Executives</u>	<u>Directors</u>	<u>Executives</u>	<u>Directors</u>
Meeting fee				
Remuneration	443,235		468,900	
Number of Persons	1		2	

Chief executive has waived his remuneration and meeting fees.

#### 26.2 AUDITORS REMUNERATION

	<u>June 2012</u>	<u>June 2011</u>
	<u>RUPEES</u>	<u>RUPEES</u>
Half yearly review fee	10,000	10,000
Statutory audit fee	150,000	150,000
	<u>160,000</u>	<u>160,000</u>

	June 2012 RUPEES	June 2011 RUPEES
28	<b>FINANCE COST</b>	
	Interest/Mark-up on	
	754,799	4,191,702
	7,802	-
	17,734	225,846
	<u>780,335</u>	<u>4,417,548</u>
29	<b>TAXATION</b>	
	-	279,108
	-	101,261
	-	527,655
	<u>-</u>	<u>908,024</u>
30	<b>(LOSS) PER SHARE-BASIC AND DILUTED</b>	
	(5,600,521)	(1,296,900)
	11,975,040	11,975,040
	<u>(0.47)</u>	<u>(0.11)</u>

## 31. FINANCIAL ASSETS AND LIABILITIES:

2012

	Interest / Markup bearing			Interest / Markup Non bearing			Total Rupees
	Interest rate %	Maturity upto one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year	
<b>Financial Assets:</b>							
Long term deposits	-	-	-	-	610,931	610,931	610,931
Trade debts	-	-	-	35,622,679	-	35,622,678	35,622,678
Short term investment	-	-	-	70,104	-	70,104	70,104
Loan and advances	-	-	-	30,000	-	30,000	30,000
Trade deposits	-	-	-	-	9,655,560	9,655,560	9,655,560
Other receivable	-	-	-	1,935,544	-	1,935,544	1,935,544
Cash and bank balances	-	-	-	3,853,625	-	3,853,625	3,853,625
	-	-	-	41,511,951	10,266,491	51,778,442	51,778,442
<b>Financial Liabilities:</b>							
Long term Financing Liability against assets	11,616,781	-	11,616,781	-	31,381,103	31,381,103	42,997,884
Subject to finance lease	30,470,675	-	30,470,675	-	-	-	30,470,675
Trade and other payable	-	-	-	53,388,807	-	53,388,807	53,388,807
Mark up payable	-	-	-	2,041,372	-	2,041,372	2,041,372
Short term borrowing	6,251,311	-	6,251,311	-	-	-	6,251,311
	48,338,767	-	48,338,767	55,430,179	31,381,103	86,811,282	135,150,049

2011

	Interest / Markup bearing			Interest / Markup Non bearing			Total Rupees
	Interest rate %	Maturity upto one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year	
<b>Financial Assets:</b>							
Long term deposits	-	-	-	-	610,931	610,931	610,931
Trade debts	-	-	-	19,181,483	-	19,181,483	19,181,483
Short term investment	-	-	-	58,813	-	58,813	58,813
Loan and advances	-	-	-	734,148	-	734,148	734,148
Trade deposits	-	-	-	-	9,655,560	9,655,560	9,655,560
Other receivable	-	-	-	2,810,090	-	2,810,090	2,810,090
Cash and bank balances	-	-	-	6,569,670	-	6,569,670	6,569,670
	-	-	-	29,354,204	10,266,491	39,620,695	39,620,695
<b>Financial Liabilities:</b>							
Long term Financing Liability against assets	4,153,833	32,962,948	37,116,781	-	13,196,103	13,196,103	50,312,884
Subject to finance lease	30,470,675	-	30,470,675	-	-	-	30,470,675
Trade and other payable	-	-	-	18,343,094	-	18,343,094	18,343,094
Mark up payable	-	-	-	3,489,772	-	3,489,772	3,489,772
Short term borrowing	6,251,311	-	6,251,311	-	-	-	6,251,311
	40,875,819	32,962,948	73,838,767	21,832,866	13,196,103	35,028,969	108,867,737

31.1 The financial assets of the company amounted to Rs. 51,778,442 (2011: Rs.39,620,696)

31.2 The financial liabilities of the company amounted to Rs. 135,150,049 (2011 Rs.108,867,737)

### 31.3 CONCENTRATION OF CREDIT RISK:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and causes the other party to incur a financial loss. Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. The Company attempts to control credit risk by monitoring credit exposure, limiting transaction with specific counterparties and continually assessing the creditworthiness of counterparties.

### 31.4 FOREIGN EXCHANGE RISK MANAGEMENT:

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The management manages the risk through efficient use of forward covers and believes that it is not exposed to significant exchange risk. As at year end no forward contracts have been taken up by the management due to strengthening of the local currency against foreign currencies.

### 31.5 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES:

The carrying values of all the financial instruments reported in the financial statements approximate their fair values.

### 31.6 INTEREST RISK

Interest rate risk arises from the possibility that changes in interest rates will effect the value of financial instruments. The company is not exposed to any interest rate risk.

### 34.7 LIQUIDITY RISK

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company's management closely monitors the company's liquidity and cash flow position.

### 31.8 FINANCIAL RISK MANAGEMENT OBJECTIVES

The company's operations expose it to financial risk mainly due to changes in foreign exchange rates. Risk management is carried out by the management under polices approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like foreign exchange risk, interest rate risk and investing excessive liquidity.

### 31.9 POWER SUPPLY RISK

The generators of the company have outlived their useful life and negotiations are taking place for purchase of new generators. The performance of the existing generators in the interim exposes the company to risk.

## 32 DATE OF AUTHORISATION

These financial statements were authorised for issue on October 09, 2012 by the board of directors of the company.

## 33 PLANT CAPACITY AND ACTUAL PRODUCTION

	2012	2011
Total number of rotors installed	2,832.00	2832
Total number of rotors worked	-	-
Number of shifts per day	-	-
Installed capacity after conversion into 10/s count (kgs)	8.98(m)	8.98 (m)
Actual production of yarn after conversion into 10/s count (kgs)	-	-

## 34 POST BALANCE SHEET EVENT

There are no significant post balance sheet events.

## 35 GENERAL

Figures have been rounded off to the nearest rupees.

Karachi: October 09, 2012

  
CFO

  
CHIEF EXECUTIVE

  
DIRECTOR

## HAJI MOHAMMAD ISMAIL MILLS LIMITED

### PATTERN OF HOLDING OF SHARES HELD BY THE SHAREHOLDERS AS AT 30TH JUNE, 2012

No. of Shareholders		Share Holding		Shares Held
56	1	To	100	1,201
14	101	To	500	6,502
89	501	To	1,000	57,414
49	1,001	To	5,000	134,234
12	5,001	To	10,000	101,574
14	10,001	To	15,000	174,828
4	15,001	To	20,000	72,820
3	20,001	To	25,000	64,400
4	25,001	To	30,000	117,500
1	30,001	To	35,000	31,500
2	35,001	To	40,000	79,659
1	40,001	To	45,000	43,500
-	45,001	To	50,000	-
-	50,001	To	55,000	-
-	55,001	To	60,000	-
1	60,001	To	65,000	61,000
-	65,001	To	70,000	-
1	70,001	To	75,000	74,235
1	75,001	To	80,000	79,940
1	80,001	To	85,000	82,400
-	85,001	To	90,000	-
-	90,001	To	95,000	-
1	95,001	To	100,000	95,340
-	100,001	To	150,000	-
1	150,001	To	200,000	161,280
2	200,001	To	250,000	421,545
-	250,001	To	300,000	-
-	300,001	To	350,000	-
2	350,001	To	400,000	774,025
-	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	-
265				11,975,040

#### CATEGORY WISE SUMMARY OF SHAREHOLDERS

S. No.	Category Name	No. of Shareholders	Share Held	Percentage
1.	Individuals	253	4,547,739	37.98
2.	Joint Stock Companies	8	4,434,376	37.03
3.	Financial Institutions	4	2,992,925	24.99
		265	11,975,040	100.00

## HAJI MOHAMMAD ISMAIL MILLS LIMITED

### PATTERN OF SHAREHOLDING AS PER LISTING REGULATIONS AS AT JUNE 30,2012

<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	81,100	0.677
7 Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies Takaful, Modarabas and Pension Funds.		
Industrial Development Bank of Pakistan.	389,025	3.249
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.	3,290,455	27.478
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