3RD QUARTER FINANCIAL STATEMENTS 31ST MARCH 2018

HAFIZ LIMITED

COMPANY INFORMATON

CEO	:	Fakhruddin Usmani
Directors	:	Quamruddin Usmani
	:	Muhammad Farooq Usmani
	:	Mahmood Wali Muhammad
:		Muhammad Atiq
	:	Ali Muhammad Usmani
	:	Muhammad Shehzad Fakir
Board of Audit Committee		
Chairman	:	Quamruddin Usmani
Members	:	Muhammad Farooq Usmani
		Mahmood Wali Muhammad
Chief Financial Officer	:	Muhammad Shahid Siddiqui
Company Secretary	:	S. Shafiq Hasan
Bankers	:	Habib Metropolitian Bank Ltd.
	:	HBL Bank Limited
	:	MCB Bank Limited
	:	National Bank of Pakistan
Auditors	:	MAZARS M.F. & CO. Chartered Accountants, Karachi.
Registered Office	:	M/S. F.D REGISTERAR SERVICES (SMC-PVT) LTD. 1705, 17th Floor, Saima Trader Tower-A I. I. Chundrigar Road, Karachi.
Registered Office	:	97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi – 74000.
Mill at	:	D-9, S.I.T.E., Karachi.
Website	:	www.hafiztm.com

DIRECTOR'S REVIEW

The Directors of your company are pleased to present their 3rd quarter year un-audited accounts for the period ended March 31, 2018.

Unsurprisingly, following the security challenges, Foreign Direct Investment and existing corporate activity have been negatively affected. Firms have fled to other countries which are safe for executing operations. Not only this, the absence of feasible and profitable platforms to the businesses such as allowing grants, subsidies and Public-Private Partnerships has further added to the grievances of the business community.

The production of goods and services to meet the demands of the people has always been lower than needed as Pakistan, unfortunately, Pakistan is not a 'self-sufficient state'. Pakistan is an agro-based economy with the major proportion of its income and GDP relies on the agricultural sector and the production of food products is not only going on to feed the mouths of about 200 million of the people of Pakistan but also go for exports. Resultantly, lower production levels and an imposition of taxes collectively led to the higher prices of the commodities; hence, inflation turns out to be an ultimate product.

CPEC a multi-billion dollar project has the potential to turn Pakistan and make it an Asian tiger. The economic prosperity, reducing a gap between 'haves and have-nots', offering millions of jobs to the people of this country are likely to be the resultants of this project.

We pray to Almighty Allah to help us and give us strength to solve company business problems and further improvement.

The Board would like to place on record their strong appreciation for the efforts of the Senior Executives and staff members for their hard work, cooperation and sincerity to the company in achieving best possible results.

FOR AND ON BEHALF OF THE BOARD

Fakhruddin Usmani
CEO

Karachi:
27th April, 2018.

ڈائریکٹران کا جائزہ

آپ کی کمپنی کے ڈائریکٹران تیسری سہ ماہی مختتمہ 31 مارچ 2018 کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

امن و عامہ کی متوقع صورتحال نے براہِ راست بیرونی سرمایہ کاری اور موجودہ کارپوریٹ سرگرمیوں پر منفی اثرات مرتب کئے۔کئی ادارے ملک سے باہر چلے گئے جہاں وہ پرامن طریقے سے کاربار کررہے ہیں۔یہی نہیں بلکہ کاربار ی کے موزوں اور منافع بخش پلیٹ فارمز کے ساتھ گرانٹس،سبسڈیز اور نجی وسرکاری شراکت داری کی عدم موجودگی کی وجہ سے کاربار ی برادری کی مشکلات میں مزید اضافہ ہوا۔

اشیائے صرف اور خدمات کی پیداوار پاکستان میں ہمیشہ طلب سے کم رہی ہے، بدقسمتی سے پاکستان ایک 'خود انحصار ملک 'نہیں ہے۔پاکستان کی معیشت کی بنیاد زراعت ہے جس میں آمدنی اور جی ڈی پی کا بڑا حصہ زرعی شعبہ اور غذائی مصنوعات کی پیداوار سے حاصل ہوتا ہے جو کہ نہ صرف پاکستان کے 20 کروڑ افراد کی ضروریات کو پورا کررہا ہے بلکہ برآمدات میں بھی اس کا بڑا حصہ ہے۔کم پیداواری سطح اور ٹیکسوں کی بھرمار نے مجموعی طور پر اشیائے صارفین کی قیمتوں میں اضافہ کردیا، جو افراط زر میں اضافے کا باعث بنا۔

سی پی ای سی اربوں ڈالر کا ایک پروجیکٹ ہے جس میں پاکستان کی قسمت تبدیل کرنے اور اسے ایشن ٹائیگر بنانے کی صلاحیت ہے۔ معاشی خوشحالی کے ساتھ 'کچھ ہونا' یا 'نہ ہونا' کے درمیان خلیج کو کم کرتے ہوئے اس پروجیکٹ سے قوی امید ہے کہ ملک کے عوام کے لئے روزگار کے لاکھوں مواقع پیدا ہوں گے۔

ہم اللہ کے حضور دعا گو ہیں کہ وہ ہماری مدد کرے اور ہمیں اتنا مضبوط کردے کہ ہم کمپنی کے کاروباری مسائل پر قابو پالیں اور مزید بہتری کی جانب گامزن ہوجائیں۔

اس موقع پر میں اعلیٰ عہدیداروں اور عملہ کے افراد کی کمپنی کے لئے انتھک محنت، تعاون، خلوص پر انہیں تہنیت پیش کرتا ہوں جس کے بغیر ممکنہ نتائج حاصل کرنا ممکن نہ تھا۔

برائے ومنجانب بورڈ

فخر الدین عثمانی

کراچی

27اپریل2018ء

BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2018

Assets	Note	(Un-audited) 31-Mar-18	(Un-audited) 31-Mar-17
Non-current assets		---------(Rupees)--------	
Property, plant and equipment		**3,813,203**	4,325,041
Investment property		**441,512,475**	425,863,436
Long term investments- quoted		**1**	1
		445,325,679	430,188,478
Current assets			
Trade debts		**-**	359,232
Deposits and income tax		**3,170,933**	3,251,326
Cash and bank balances		**5,942,115**	4,815,881
		9,113,048	8,426,439
Net assets in Bangladesh		**1**	1
Total assets		**454,438,728**	438,614,918

Capital and Liabilities	Note	(Un-audited) 31-Mar-18	(Un-audited) 31-Mar-17
SHARE CAPITAL AND RESERVES		---------(Rupees)--------	
Capital and Reserves			
Authorized			
2,000,000 (2017: 2,000,000) ordinary shares of Rs.10/- each		**20,000,000**	20,000,000
Issued, subscribed and paid-up		**12,000,000**	12,000,000
Reserves		**430,458,992**	415,357,466
		442,458,992	427,357,466
Non Current Liabilities			
Deferred liabilities		**318,434**	311,374
		318,434	311,374
Current Liabilities			
Trade and other payable		**9,277,184**	8,926,538
Provision for taxation		**2,384,118**	2,019,540
		11,661,302	10,946,078
Contingencies and commitments		**-**	-
Total equity and liabilities		**454,438,728**	438,614,918

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

Karachi
27th April, 2018.

Muhamad Shahid Siddiqui
CFO

Fakhruddin Usmani
CEO

Qumaruddin Usmani
CEO

PROFIT AND LOSS ACCOUNT
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018

	For the 3rd Quarter Ended		For the Nine Months Ended	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	---------(Rupees)--------		---------(Rupees)--------	
Rental income	**4,654,068**	3,812,391	**10,990,369**	9,335,328
Administrative expenditure	**1,493,638**	1,603,783	**4,639,999**	4,426,423
Financial charges	**3,266**	5,755	**22,298**	10,996
	1,496,904	1,609,538	**4,662,297**	4,437,419
Profit before taxation	**3,157,164**	2,202,853	**6,328,072**	4,897,909
Taxation	**(1,023,399)**	(814,809)	**(2,152,758)**	(1,435,433)
Profit after taxation	**2,133,765**	1,388,044	**4,175,314**	3,462,476
Earnings per share	**1.78**	1.16	**3.48**	2.89

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

Karachi
26th February, 2018

Muhamad Shahid Siddiqui
CFO

Fakhruddin Usmani
CEO

Qumaruddin Usmani
CEO

CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2018

	Note	31-Mar-18	31-Mar-17
CASH FLOW FROM OPERATING ACTIVITIES		----------*(Rupees)*----------	
Profit before taxation		**6,328,072**	4,897,909
Depreciation		**489,776**	580,986
Provision for gratuity		**21,560**	26,019
Financial charges		**22,298**	10,996
		533,634	618,001
Operating profit before working capital changes		**6,861,706**	5,515,910
Movement in Working Capital (Increase)/decrease in Current Assets			
Trade debts		**544,320**	(28,832)
		544,320	(28,832)
Increase / (decrease) in Current Liabilities			
Trade and other payable		**2,241,888**	1,307,485
Cash generated from operations		**9,647,914**	6,794,563
Payments for:			
Taxes		**(1,893,657)**	(2,022,724)
Financial charges		**(22,298)**	(10,996)
Net cash inflow from operating activities		**5,860,600**	4,760,843
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(171,600)**	-
Net cash (outflow) from investing activities		**(171,600)**	-
CASH FLOW FROM FINANCING ACTIVITIES			
Loan from directors		**(2,350,900)**	(1,050,000)
Dividend paid		**(1,406,725)**	(1,904,200)
Net cash (outflow) from financing activities		**(3,757,625)**	(2,954,200)
Net increase in cash and bank balances		**1,931,375**	1,806,643
Cash and bank balances at beginning of the year		**4,010,740**	3,009,238
Cash and bank balances at end of the year		**5,942,115**	4,815,881

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

Karachi
27th April, 2018.

Muhamad Shahid Siddiqui
CFO

Fakhruddin Usmani
CEO

Qumaruddin Usmani
CEO

STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2018

		Reserves				
	Share Capital	Unappropriated (loss)	Interest Free Loan from Directors	Revaluation reserve for investment property	Total Reserves	Total equity
						-
Balance as at July 01, 2016.	12,000,000	(18,508,209)	61,500,805	371,752,394	414,744,990	426,744,990
Net profit after tax for NINE month ended (July, 2016 to March, 2017).		3,462,476			3,462,476	3,462,476
Interest Free loan payments			(1,050,000)		(1,050,000)	(1,050,000)
Final dividend for the year ended June 30, 2016 @ Rs.1.50 per share i.e. 15%.	-	(1,800,000)	-		(1,800,000)	(1,800,000)
Balance as at March 31, 2017.	**12,000,000**	**(16,845,733)**	**60,450,805**	**371,752,394**	**415,357,466**	**427,357,466**
Balance as at July 01, 2017.	12,000,000	(303,621)	58,985,805	371,752,394	430,434,578	442,434,578
Net profit after tax for NINE month ended (July, 2017 to March, 2018).		4,175,314			4,175,314	4,175,314
Interest Free loan payments			(2,350,900)		(2,350,900)	(2,350,900)
Final dividend for the year ended June 30, 2017 @ Rs.1.50 per share i.e. 15%.	-	(1,800,000)	-		(1,800,000)	(1,800,000)
Balance as at March 31, 2018.	**12,000,000**	**2,071,693**	**56,634,905**	**371,752,394**	**430,458,992**	**442,458,992**

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

Karachi
27th April, 2018.

Muhamad Shahid Siddiqui
CFO

Fakhruddin Usmani
CEO

Qumaruddin Usmani
CEO

NOTES ANNEXED TO THE FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2018

1 Status and Nature of Business

1.1 Hafiz Limited (Formerly Hafiz Textile Mills Limited) (the Company) is a public limited Company incorporated in 1951 under the Companies Ordinance, 1984.The shares of the Company are listed on the Karachi Stock Exchange. The registered office of the Company is situated at 97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi.

1.2 In the year ended 30 June 2013, the company has changed the name and nature of its business. Previously the principal activity of the company was to deal in spinning of textile fibers and now the principal actitivity of the company is to earn rentals on land and building.

2 Basis of Preparation

3 Significant Accounting Policies

3.1 The accounting policies adopted for the preparation of these Financial information are consistent with those applied in the preparation of the annual published Financial Statements of the Company for the year ended June 30, 2017.

3.2 The Company operates an unfunded gratuity scheme and full provision is made for liability for gratuity payable to employees.

3.3 Gratuity dues are arrived at by multiplying the salary of each employee with the numbers of years in service. Considering the financial condition of the company and basis adopted which is for more realistic and actual, the company has not carried out actuarial valuation as required by IAS-19.

4 Contingencies and Commitments

4.1 **Contingencies**

4.1.1 The company has a contingent liability of 1.12 million in respect of War Risk Insurance Dues for the year 1971 imposed by Federation of Pakistan through its Secretary, Commerce. The company has filed an Appeal with High Court of Sindh and the case is still in progress. As a matter of prudence the company has provided a liability of 0.4 million.

4.1.2 During the year 1992, the company was served by a Notice form High Court of Sindh in respect of termination of various employees. The notice says that company should pay 0.41 million as a compensation to them. The management is hopeful that the the case will be in their favour.

4.2 **Commitments**
There is not commitment outstanding for the period ended March 31, 2018 (June 30, 2017: Nil).

5 General

5.1 These Financial Statements were authorized for issue by the Board of Directors of the Company on 27th April, 2018.

5.2 Figures have been rounded off to the nearest rupee.

Karachi
27th April, 2018.

Muhamad Shahid Siddiqui
CFO

Fakhruddin Usmani
CEO

Qumaruddin Usmani
CEO

SHAREHOLDERS IMPORTANT NOTICES

1. Submission of copies of CNIC (MANDATORY)

Pursuant to the directive of the Securities & Exchange Commission of Pakistan Circular No.EMD/D-II/Misc/2009-1342 dated April 4, 2013, CNIC numbers of shareholders are mandatorily required to be mentioned on dividend warrants. Shareholders are, therefore, requested to submit a copy of their CNIC (if not already provided) to the Company's Share Registrar, M/s.F.D. Registrar Services (SMC-Pvt.) Ltd. 1705, 17th floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000.

2. Audited Financial Statements Through E-MAIL

SECP through its notification SRO 787(1)/2014 dated September 8, 2014, has allowed the circulation of Audited Financial Statements along with the Notice of Annual General Meeting to the members of the company through e-mail. Therefore, all members who wish to receive the soft copy of Annual Report are requested to send their e-mail addresses.

3. Notice for unclaimed shares / Dividends

Pursuant to the requirement of Section 244 of the Companies Act, 2017 (the "Act"), now all companies are required to surrender physical shares/dividends which remain unclaimed or unpaid for over three years, as on May 30, 2014, to the Federal GovernMent.

As per Company's record, there are some outstanding / physical shares/ dividends in respect of your above mentioned folio/account.

You are hereby requested to immediately lodge your claim to our share Registrar or our registered office at following address within 90 days of date of this notice, along with relevant documents in support of your claim under a duly signed letter (in accordance with specimen signature recorded with the Company):

Share Registrar:
M/s F.D. Registrar Services (SMC-Pvt.) Ltd.
1705, 17th Floor, Saima Trade Tower 'A'
I. I. Chundrigar Road,
Karachi.
Tel # +92-21-32271905

or

Registered office:
Hafiz Limited
97, Alliance Building, 2nd Floor,
Moolji Street, Mereweather Tower,
Karachi.
Tel # +92-21-32440371

Please note that if the Company does not receive a claim from you within the aforesaid time period, then the Company shall proceed to deposit unclaimed physical shares / dividends in its possession, with the Federal Government pursuant to the provisions of sub section (2) of section 244 of the Act.

HAFIZ LIMITED

97 Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi-74000.

NOTICE OF MANDATORY PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE

Subsequent to promulgation of Companies Act, 2017, and as per section 242 of the said Act now it is mandatory for listed companies that dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders.

Keeping in view the same, all cash dividend, if declared by the Company in future will be directly transferred in bank account. In order to enable us to follow the directives of the regulators in regard to payment of divided only through electronic mode, you are requested to please provide/update your bank account details in below mentioned format

I hereby authorize HAFIZ LIMITED to directly credit cash dividend declared by it, if any, in the below mentioned bank account.

Bank Account Details of Transfer for Cash Dividend

(Mandatory to provide)

i) Shareholder's Detail	
Name of Company	
Name of shareholder	
Folio No. /CDC Participants ID A/c No.	
CNIC No*	
Passport No (in case of foreign shareholder)**	
Land Line Phone Number	
Cell Number	

2) Shareholder's Bank Detail	
Tile of Bank Account	
Bank Account Number (16 Digit) IBAN	
Bank's Name	
Branch Name and Address	

1. It is stated that the above-mentioned information is correct, that I will intimate the changes in the above mentioned information to the above addresses as soon as these occur.

_____

(Signature of shareholder)

KINDLY NOTE: COMPANY MAY WITHHOLD THE PAYMENT OF DIVIDEND OF A MEMBER WHERE THE MEMBER HAS NOT PROVIDED THE COMPLETE INFORMATION OR DOCUMENTS AS SPECIFIED.

The shareholder who hold shares in physical form are requested to submit the above-mentioned dividend mandate form afterduly filled in to Company's Share Registrar office, M/s.F.D. Registrar Services (SMC-Pvt.) Ltd. 1705, 17th floor, Saima Trade Tower-A, I.I.Chundrigar Road, Karachi-74000.Shareholders who hold shares in Central Depository Company are requested to submit the above mentioned dividend mandate form after duly filled in to their participants/ investor account services of the central depository company limited.

For any query, you may please contact us Tel # 02132440371 or email us at htm1951@hotmail.com

Thanking you.

S. Shafiq Hasan

(Company Secretary)

Note: This is a computer generated letter and does not require signature.

*Please attach attested photocopy of CNIC

**Please attach attested photocopy of the Passport

BOOK POST

UNDER POSTAL CERTIFICATE

If undelivered pleased return to:

HAFIZ TEXTILE MILLS LIMITED
97, Alliance Building, Moolji Street, Mereweather Tower, Karachi-74000