

HAFIZ LIMITED

**3RD
QUARTER
FINANCIAL
STATEMENTS
31ST MARCH, 2015**



HAFIZ LIMITED

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 Metropolitan Bank Ltd.
	:	HBL Bank Limited
	:	United Bank Limitd
	:	NIB Bank Limited
	:	National Bank of Pakistan
Auditors	:	MOOCHHALA GANGAT & CO. Chartered Accountants, Karachi.
Registered Office	:	MG ASSOCIATES (Pvt.) LTD. F-4/2, Mustafa Avenue, Block-9, Behind "THE FORUM" Clifton, Karachi.
Registered Office	:	97, Alliance Building, 2 nd 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, 2015.

During the period under review, the textile industry of Pakistan is faced enormous challenges of stumpy production caused by its superseded textile equipment and machines. To take over this issue the industry needs new investments. There is not any new heavy investment in this sector for a long time. Due to current circumstances of Pakistan nobody is interested to invest in Pakistan. Reasoning to that it seems difficult for Pakistani textile to compete in the international markets.

It is also recommended that government should focus on the development of textile sector via giving relief on tax and import or export duty. Furthermore, provide the electricity to textile organization at low rate for specific period of time which helps to establish the industry. If government failed to do than millions of textile workers would become jobless and it may be a great cause to increase the unemployment ratio of Pakistan. Government should consider seriously on all mentioned issues and solve the problems as soon as possible to protect the textile industry of Pakistan.

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.



Fakhruddin Usmani
CEO

Karachi:
27th April, 2015.

HAFIZ LIMITED

BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2015

EQUITIES & LIABILITIES	(Un-audited) 31-Mar-15 (Rupees)	(Audited) 31-Mar-14 (Rupees)
SHARE CAPITAL AND RESERVE:		
Authorised:		
2,000,000 (June 30, 2014 : 2,000,000) Ordinary Shares of	20,000,000	20,000,000
Issued subscribed and paid up:		
1,200,000 (June 30, 2014 : 1,200,000) Ordinary Shares of	12,000,000	12,000,000
Reserves	312,850,776	311,908,730
	<u>324,850,776</u>	<u>323,908,730</u>
NON-CURRENT LIABILITIES		
Long Term Loans - From Directors (Unsecured and interest free)	65,255,805	65,255,805
Deferred Liabilities - Gratuity	281,280	261,712
	<u>65,537,085</u>	<u>65,517,517</u>
CURRENT LIABILITIES		
Trade and other payable	8,867,435	7,906,926
Provision for taxation	1,771,673	2,400,569
	<u>10,639,108</u>	<u>10,307,495</u>
Contingencies and Commitments	-	-
	<u>401,026,969</u>	<u>399,733,742</u>
	-	-
ASSETS	(Un-audited) 31-Mar-15 (Rupees)	(Audited) 31-Mar-14 (Rupees)
NON-CURRENT ASSETS		
Property , plant and equipments	4,263,379	3,036,633
Investment Property	390,118,728	390,118,728
Long Term Investments	1	1
	<u>394,382,108</u>	<u>393,155,362</u>
CURRENT ASSETS		
Debtors	1,679,520	-
Deposits, prepayment and other receivables	1,563,497	1,538,768
Cash and bank balances	3,401,843	5,039,611
	<u>6,644,860</u>	<u>6,578,379</u>
Net assets in Bangladesh	1	1
	<u>401,026,969</u>	<u>399,733,742</u>

Karachi:
27th April, 2015.


Fakhruddin Usmani
CEO


Quamruddin Usmani
Director

HAFIZ LIMITED

**PROFIT AND LOSS ACCOUNT
(UN-AUDITED)**

FOR THE NINE MONTHS ENDED MARCH 31, 2015

PARTICULARS	For the 3rd Quarter ended		For the nine months Year ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Rental Income	2,370,669	1,898,619	7,663,025	6,470,067
Direct Expenses	-	-	-	-
	<u>2,370,669</u>	<u>1,898,619</u>	<u>7,663,025</u>	<u>6,470,067</u>
FIXED COST AND OTHER CHARGES				
Administrative and selling	1,160,027	941,529	3,681,658	2,836,667
Financial	4,317	7,696	14,988	17,467
	<u>1,164,344</u>	<u>949,225</u>	<u>3,696,646</u>	<u>2,854,134</u>
OPERATING INCOME / (LOSS)	<u>1,206,325</u>	<u>949,394</u>	<u>3,966,379</u>	<u>3,615,933</u>
Other Income	-	-	323,478	-
Net Profit / (Loss) before taxation	<u>1,206,325</u>	<u>949,394</u>	<u>4,289,857</u>	<u>3,615,933</u>
Taxation	(508,307)	(552,463)	(1,547,811)	(852,255)
Net Profit / Loss after taxation	<u>698,018</u>	<u>396,931</u>	<u>2,742,046</u>	<u>2,763,678</u>
Earning per share	<u>0.58</u>	<u>0.33</u>	<u>2.29</u>	<u>2.30</u>

Karachi:
27th April, 2015.



Fakhruddin Usmani
CEO



Quamruddin Usmani
Director

HAFIZ LIMITED

CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2015

PARTICULARS	31-Mar-15 (Rupees)	31-Mar-14 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,289,857	3,615,933
Depreciation	679,762	331,218
Provision for gratuity	19,568	9,000
Gains on Sale of Fixed Assets	(323,478)	-
Financial charges	14,987	17,467
	390,839	357,685
Operating profit before working capital changes	4,680,696	3,973,618
Movement in Working Capital (Increase) /decrease in Current Assets		
Deposits	-	-
Debtors	(1,679,520)	-
	(1,679,520)	-
Increase / (decrease) in Current Liabilities		
Trade and other payable	(203,451)	619,185
Cash generated from operations	2,797,725	4,592,803
Payment for:		
Gratuity	-	-
Taxes	(1,441,034)	(831,236)
Financial charges	(14,987)	(17,467)
Net cash inflow / (outflow) from operating activities	1,341,704	3,744,100
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	(2,413,030)	-
Fixed capital expenditure	830,000	-
Net cash outflow from investing activities	(1,583,030)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term loans from Directors	-	(4,350,000)
Dividend Paid	(1,396,442)	(2,144,755)
Net cash outflow from financing activities	(1,396,442)	(6,494,755)
Net Increase/(decrease) in cash and bank balances	(1,637,768)	(2,750,655)
Cash and bank balances at beginning of the year	5,039,611	8,982,832
Cash and bank balances at end of the year	3,401,843	6,232,177

Karachi:
27th April, 2015.


Fakhruddin Usmani
CEO


Quamruddin Usmani
Director

HAFIZ LIMITED

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015

	Share Capital	Reserves (Revaluation Reserves for Investment Property minus unappropriated Loss)	Total
	(Rupees)	(Rupees)	(Rupees)
Balance as at July 01, 2013.	12,000,000	295,394,842	307,394,842
Net Profit after tax for NINE months ended (July, 2013 to March, 2014)	-	2,763,678	2,763,678
Final Cash Dividend for the year ended 30th June, 2013 @ Rs.2/- per share i.e. 20%.	-	(2,400,000)	(2,400,000)
Balance as at March 31, 2014.	<u>12,000,000</u>	<u>295,758,520</u>	<u>307,758,520</u>
Balance as at July 01, 2014.	12,000,000	311,908,730	323,908,730
Net Profit after tax for NINE months ended (July, 2014 to March, 2015)	-	2,742,046	2,742,046
Final Cash Dividend for the year ended 30th June, 2014 @ Rs.1.50-per share i.e. 15%.	-	(1,800,000)	(1,800,000)
Balance as at March 31, 2015.	<u>12,000,000</u>	<u>312,850,776</u>	<u>324,850,776</u>

Karachi:
27th April, 2015.


Fakhruddin Usmani
CEO


Quamruddin Usmani
Director

HAFIZ LIMITED

NOTES TO THE FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015

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 activity 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, 2014,
- 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 from 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, 2015 (June 30, 2014: Nil).

5 General

- 5.1 These Financial Statements were authorized for issue by the Board of Directors of the Company on 27th April, 2015.
- 5.2 Figures have been rounded off to the nearest rupee.

Karachi:
27th April, 2015.



Fakhruddin Usmani
CEO



Quamruddin Usmani
Director

**SHAREHOLDERS ATTENTION REQUIRED REGARDING
SUBMISSION OF COMPUTERIZED NATIONAL IDENTITY CARD
(CNIC) / NATIONAL TAX NUMBER (NTN) TO COMPANY
REGISTERED OFFICE**

SECP vide SRO No. 831(1)/2012 dated July 05, 2012 directed the companies to issue dividend warrant crossed as "A/c Payee only" which should also bear the Computerized National Identity Card (CNIC) of the registered member. However, availability of valid CNIC of all members is also necessary for filing, with SECP, of the list of members along with Annual Return of the Company. Members, who have not yet submitted attested photocopy of their valid CNIC along with folio number are requested to send the same, at the earliest, directly to the Company's Share Registrar. In case of non-availability of valid copy of CNIC of any member, in the Company's records, the Company may withhold the Dividend Payment, which will be released only upon providing the copy. The copy of valid CNIC can be sent to: Company Secretary, HAFIZ LIMITED, 97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi - 74000.

BOOK POST
UNDER POSTAL CERTIFICATE

If undelivered please return to:
HAFIZ LIMITED
97, Alliance Building, Moolji Street, M.W. Tower, Karachi-74000