

**1ST
QUARTER
FINANCIAL
STATEMENTS
30TH SEPTEMBER, 2013**



HAFIZ LIMITED

(FORMERLY HAFIZ TEXTILE MILLS 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 1st Quarter Year un-audited Accounts for the period ended September 30, 2013.

As we know that economic prosperity serves as a backbone for the overall progress of a nation. One thing is common in all developed nations- they are economically sound. When citizens of a country are freed from the worries of earning a livelihood to sustain their lives, they divert their attention to more useful things. They focus on education, improvise healthcare, develop technologies that make life easy and much more. Poor economic condition is the root cause of so many problems that exist in a society. Unfortunately, Pakistan's economic conditions are pathetic. As if power crises, lack of foreign investment for the development of industrial zones, backward and out-dated technology were not enough, Pakistan's indulgence in war on terrorism served as a fatal blow to the already crumbling economic state.

No country is free from socio-economic problems. These problems are present in every country but the winners are those who overcome most if not all of them. Though Pakistan is currently facing a lot of socio-political and socio-economic problems but Government as well as every single citizen of Pakistan has to play its own specific role to bring about a positive change.

We pray to Almighty Allah to help us and give us strength for further improvement.

The Board also expresses its appreciation for valuable services, loyalty and laudable efforts continuously rendered by the executives, staff members of the company.

FOR AND ON BEHALF OF THE BOARD



Fakhruddin Usmani
CEO

Karachi:
30th October, 2013.

HAFIZ LIMITED (FORMERLY HAFIZ TEXTILE MILLS LTD.)

BALANCE SHEET (UN-AUDITED)

AS AT SEPTEMBER 30, 2013.

EQUITIES & LIABILITIES	30-Sep-13	30-Jun-13
	(Rupees)	(Rupees)
SHARE CAPITAL AND RESERVE:		
Authorised:		
2,000,000 (June 30, 2013 : 2,000,000) Ordinary Shares of Rs.10/- each	20,000,000	20,000,000
Issued subscribed and paid up		
1,200,000 (June 30, 2013 : 1,200,000) Ordinary Shares of Rs.10/- each	12,000,000	12,000,000
Reserves	294,306,997	295,394,842
	306,306,997	307,394,842
LONG TERM LOANS - FROM DIRECTORS (Unsecured and interest free)	70,555,805	71,455,805
DEFERRED LIABILITIES - Gratuity	238,622	235,622
CURRENT LIABILITIES		
Trade and other payable	10,338,145	7,069,554
Provision for taxation	206,643	1,205,989
	10,544,788	8,275,543
Contingencies and Commitments	-	-
	387,646,212	387,361,812
ASSETS	30-Sep-13	30-Jun-13
	(Rupees)	(Rupees)
FIXED ASSETS		
Property , plant and equipments	3,367,850	3,478,257
Investment Property	373,461,618	373,461,618
LONG TERM INVESTMENTS	1	1
CURRENT ASSETS		
Debtors	-	-
Deposits, prepayment and other receivables	480,006	1,439,103
Cash and bank balances	10,336,736	8,982,832
	10,816,742	10,421,935
Net Assets in Bangladesh	1	1
	387,646,212	387,361,812

Karachi:
30th October, 2013.


Fakhruddin Usmani
CEO


Quamruddin Usmani
Director

PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013.

PARTICULARS	For the Three Month ended 30th September, 2013.	For the Three Month ended 30th September, 2012.
	(Rupees)	(Rupees)
Rental Income	2,416,431	2,234,578
Direct Expenses	-	-
	<u>2,416,431</u>	<u>2,234,578</u>
FIXED COST AND OTHER CHARGES		
Administrative and selling	914,236	1,257,127
Financial	3,404	2,224
	<u>917,640</u>	<u>1,259,351</u>
OPERATING INCOME	<u>1,498,791</u>	<u>975,227</u>
Other income	-	-
Net Profit before taxation	<u>1,498,791</u>	<u>975,227</u>
Taxation	(186,636)	(188,458)
Net Profit after taxation	<u><u>1,312,155</u></u>	<u><u>786,769</u></u>
Earning per share	1.09	0.66

Karachi:
30th October, 2013.


Fakhruddin Usmani
CEO


Quamruddin Usmani
Director

CASH FLOW STATEMENT (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013.

PARTICULARS	30-Sep-13	30-Sep-12
	(Rupees)	(Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit after taxation	1,312,155	786,769
Depreciation	110,407	436,012
Provision for gratuity	-	-
Financial charges	3,404	2,224
	113,811	438,236
Operating profit before working capital changes	1,425,966	1,225,005
Movement in Working Capital <i>(Increase) /decrease in Current Assets</i>		
Deposits	-	-
Debtors	-	-
<i>Increase / (decrease) in Current Liabilities</i>		
Trade and other payable	1,058,363	1,255,413
Cash generated from operations	2,484,329	2,480,418
Payment for:		
Gratuity	-	-
Taxes	(226,886)	(293,866)
Financial charges	(3,404)	(2,224)
Net cash inflow / (outflow) from operating activities	2,254,039	2,184,328
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	-
Net cash outflow from investing activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term loans from Directors	(900,000)	(900,000)
Dividend Paid	(135)	-
Net cash outflow from financing activities	(900,135)	(900,000)
Net Increase/(decrease) in cash and bank balances	1,353,904	1,284,328
Cash and bank balances at beginning of the year	8,982,832	4,384,578
Cash and bank balances at end of the year	10,336,736	5,668,906

Karachi:
30th October, 2013.


Fakhruddin Usmani
CEO


Quamruddin Usmani
Director

**STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)**

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013.

	Share Capital	Un- appropriated (loss)	Revaluation Reserve for Investment Property	Total Equity
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as at July 01, 2012.	12,000,000	(80,533,211)	-	(68,533,211)
Net Profit after tax for THREE month ended (July, 2012 to September, 2012).	-	786,769	-	786,769
Incremental depreciation transferred from Surplus on Revaluation of fixed Assets	-	274,113	-	274,113
Final Cash Dividend for the year ended 30th June, 2012 @ Rs.1.50 per share i.e. 15%.	-	(1,800,000)	-	(1,800,000)
Balance as at September 30, 2012.	12,000,000	(81,272,329)	-	(69,272,329)
Net Profit after tax for nine month ended (October, 2012 to June, 2013).	-	4,092,435	-	4,092,435
Incremental depreciation transferred from Surplus on Revaluation of fixed Assets	-	822,342	-	822,342
Transfer from surplus on revaluation of fixed assets	-	-	79,632,822	79,632,822
Fair value gain on transfer of fixed assets to investment property at fair value	-	-	292,119,572	292,119,572
Balance as at June 30, 2013.	12,000,000	(76,357,552)	371,752,394	307,394,842
Net Profit after tax for THREE month ended (July, 2013 to September, 2013).	-	1,312,155	-	1,312,155
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 September 30, 2013.	12,000,000	(77,445,397)	371,752,394	306,306,997

Karachi:
30th October, 2013.


Fakhruddin Usmani
CEO


Quamruddin Usmani
Director

HAFIZ LIMITED (FORMERLY HAFIZ TEXTILE MILLS LTD.)

NOTES TO FINANCIAL INFORMATION (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013.

1 Status and Nature of Business

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. 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

These financial information for the 1st quarter ended September 30, 2013 have been prepared and are being circulated to the members as per the requirement of section 245 of the Companies Ordinance, 1984 and is unaudited as required by the Code of Corporate Governance and as per the listing regulations of Karachi Stock Exchange.

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, 2013.
- 3.2 Reserves are consisting on Revaluation Reserve for Investment Property plus unappropriated loss.
- 3.3 The Company operates an unfunded gratuity scheme and full provision is made for liability for gratuity payable to employees.
- 3.4 Liability in respect of gratuity payable to employees has been fully provided for in these accounts on the basis of actuarial valuation and is charged to profit and loss account.

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 case will be in their favour.
- 4.1.3 During the year 2010, SECP vide its order EMD/233/253/2002-1131 dated May 20, 2010 under the provisions of Section 473 of the Companies Ordinance 1984 directed the Company to reverse the director's loan of Rs. 57,790,720 and write back advances from suppliers/creditors to the profit and loss account of the Company. The Company's appeal before SECP has dismissed but the Company has filed appeal before High Court of Sindh, since the outcome of the above appeal is pending and in view of the fact that management is confident that appeal will be decided in Company's favour, no provisions has been made in these financial statements relating to above appeal.

4.2 Commitments

There is not commitment outstanding for the period ended 30-09-2013 (June 30, 2013: Nil).

5 General

- 5.1 These Financial Statements were authorized for issue by the Board of Directors of the Company on October 30, 2013.
- 5.2 Previous figures have been rearranged and regrouped wherever considered necessary. Figures have been rounded off to the nearest rupees.

Karachi:
30th October, 2013.


Fakhruddin Usmani
CEO


Quamruddin Usmani
Director

PRINTING OF CNIC NUMBER ON DIVIDEND WARRANT

We draw your kind attention towards the SRO 779 (1)/2011 dated 18th August, 2011 issued by the Securities and Exchange Commission of Pakistan. In the above SRO, Securities and Exchange Commission of Pakistan has directed all listed companies to issue dividend warrant only crossed as “A/C payee only” to shareholders and bearing Computerized National Identity Card “CNIC” number. Moreover, Securities and Exchange Commission of Pakistan vide letter No.EMD/D-III/Misc/2009 dated 18th October, 2011, while clarifying the SRO 779 (1)/2011 dated 18th August, 2011, also advised all listed companies to communicate the shareholder that the next dividend warrant will be withheld if the CNIC is not provided.

Therefore, incompliance of above direction, we request you to provide the copy of valid Computerized National Identity Card “CNIC” as it is not in our record otherwise your next dividend warrants will be withheld till the compliance is made.

Therefore, incompliance of above direction, we request you to provide the copy of valid Computerized National Identity Card “CNIC” as it is not in our record otherwise your next dividend warrants will be withheld till the compliance is made.

The copy of valid CNIC can be sent on the following address:

HAFIZ LIMITED
(FORMERLY HAFIZ TEXTILE MILLS LIMITED)
97, Alliance Building, 2nd Floor,
Moolji Street, Mereweather Tower,
Karachi-74000.

BOOK POST
UNDER POSTAL CERTIFICATE

If undelivered please return to:

HAFIZ LIMITED

(FORMERLY HAFIZ TEXTILE MILLS LIMITED)

97, Alliance Building, Mooji Street, M.W. Tower, Karachi-74000