

**3RD
QUARTER
FINANCIAL
STATEMENTS
31ST MARCH, 2016**



HAFIZ LIMITED

COMPANY INFORMATION

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 Limited
	:	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, 2016.

As we know that Pakistan's textile industry is a major contributor to the national economy in terms of exports and employment. Pakistan holds the distinction of being the world's 4th largest producer of cotton as well as the 3rd largest consumer in the world.

During the period, Pakistan's textile industry is going through one of the toughest periods in decades. The global recession which has hit the global textile really hard is not the only cause for concern. Serious internal issues also affected Pakistan's textile industry very badly. The high cost of production resulting from an instant rise in the energy costs has been the primary cause of concern for the industry. Depreciation of Pakistani rupee during last year has significantly raised the cost of imported inputs. Furthermore, double digit inflation and energy crises have affected the overall textile sector.

The textile industry has obsolete equipment and machinery except few major producers. The inability to timely modernize the equipment and machinery has led to the decline of Pakistani textile competitiveness. Due to obsolete technology the cost of production is higher in Pakistan as compared to other countries like India, Bangladesh & China.

We pray to Almighty Allah to help us and give us strength to solve company business problems and further improvement in the textile sector as well as economy of Pakistan.

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:

28th April, 2016.

HAFIZ LIMITED

BALANCE SHEET (UN-AUDITED)

AS AT MARCH 31, 2016

EQUITIES & LIABILITIES	(Un-audited) 31-Mar-16 (Rupees)	(Audited) 30-Jun-15 (Rupees)
SHARE CAPITAL AND RESERVE:		
Authorised:		
2,000,000 (June 30, 2015 : 2,000,000) Ordinary	20,000,000	20,000,000
Issued subscribed and paid up:		
1,200,000 (June 30, 2015 : 1,200,000) Ordinary	12,000,000	12,000,000
Reserves	328,737,546	326,594,919
	<u>340,737,546</u>	<u>338,594,919</u>
NON-CURRENT LIABILITIES		
Long Term Loans - From Directors (Unsecured and interest free)	63,190,805	65,000,805
Deferred Liabilities - Gratuity	307,271	275,232
	<u>63,498,076</u>	<u>65,276,037</u>
CURRENT LIABILITIES		
Trade and other payable	8,653,094	9,275,393
Provision for taxation	2,455,777	3,440,652
	<u>11,108,871</u>	<u>12,716,045</u>
Contingencies and Commitments	-	-
	<u>415,344,493</u>	<u>416,587,001</u>
	-	-
ASSETS	(Un-audited) 31-Mar-16 (Rupees)	(Audited) 30-Jun-15 (Rupees)
NON-CURRENT ASSETS		
Property , plant and equipments	4,790,836	4,253,855
Investment Property	403,092,184	403,092,184
Long Term Investments	1	1
	<u>407,883,021</u>	<u>407,346,040</u>
CURRENT ASSETS		
Debtors	-	3,589,785
Deposits, prepayment and other receivables	2,687,451	2,638,117
Cash and bank balances	4,774,020	3,013,058
	<u>7,461,471</u>	<u>9,240,960</u>
Net assets in Bangladesh	1	1
	<u>415,344,493</u>	<u>416,587,001</u>

Karachi:
28th April, 2016.



Fakhruddin Usmani
CEO



Quamruddin Usmani
Director

HAFIZ LIMITED

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

FOR THE NINE MONTHS ENDED MARCH 31, 2016

PARTICULARS	For the 3rd Quarter ended		For the NINE months ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Rental Income	2,862,886	2,370,669	9,028,591	7,663,025
Direct Expenses	-	-	-	-
	<u>2,862,886</u>	<u>2,370,669</u>	<u>9,028,591</u>	<u>7,663,025</u>
FIXED COST AND OTHER CHARGES				
Administrative and selling	1,323,867	1,160,027	3,913,006	3,681,658
Financial	17,512	4,317	44,060	14,988
	<u>1,341,379</u>	<u>1,164,344</u>	<u>3,957,066</u>	<u>3,696,646</u>
OPERATING INCOME / (LOSS)	<u>1,521,507</u>	<u>1,206,325</u>	<u>5,071,525</u>	<u>3,966,379</u>
Other Income	-	-	-	323,478
Net Profit / (Loss) before taxation	<u>1,521,507</u>	<u>1,206,325</u>	<u>5,071,525</u>	<u>4,289,857</u>
Taxation	(1,063,640)	(508,307)	(1,128,898)	(1,547,811)
Net Profit / Loss after taxation	<u>457,867</u>	<u>698,018</u>	<u>3,942,627</u>	<u>2,742,046</u>
Earning per share	<u>0.38</u>	<u>0.58</u>	<u>3.29</u>	<u>2.29</u>

Karachi:
28th April, 2016.



Fakhruddin Usmani

CEO



Quamruddin Usmani

Director

HAFIZ LIMITED

CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2016

PARTICULARS	31-Mar-16	31-Mar-15
	(Rupees)	(Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,071,525	4,289,857
Depreciation	517,937	679,762
Provision for gratuity	32,039	19,568
Gains on Sale of Fixed Assets	-	(323,478)
Financial charges	44,060	14,987
	594,036	390,839
Operating profit before working capital changes	5,665,561	4,680,696
Movement in Working Capital <i>(Increase) / decrease in Current Assets</i>		
Deposits	-	-
Debtors	3,589,785	(1,679,520)
	3,589,785	(1,679,520)
<i>Increase / (decrease) in Current Liabilities</i>		
Trade and other payable	(1,027,553)	(203,451)
Cash generated from operations	8,227,793	2,797,725
Payment for:		
Gratuity	-	-
Taxes	(2,163,107)	(1,441,034)
Financial charges	(44,060)	(14,987)
Net cash inflow / (outflow) from operating activities	(2,207,167)	(1,456,021)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	-	830,000
Fixed capital expenditure	(1,054,918)	(2,413,030)
Net cash outflow from investing activities	(1,054,918)	(1,583,030)
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term loans from Directors	(1,810,000)	-
Dividend Paid	(1,394,746)	(1,396,442)
Net cash outflow from financing activities	(3,204,746)	(1,396,442)
Net Increase/(decrease) in cash and bank balances	1,760,962	(1,637,768)
Cash and bank balances at beginning of the year	3,013,058	5,039,611
Cash and bank balances at end of the year	4,774,020	3,401,843

Karachi:
28th April, 2016,

Fakhruddin Usmani

CEO

Quamruddin Usmani

Director

HAFIZ LIMITED

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Share Capital	Reserves (Revaluation Reserves for Investment Property minus unappropriated Loss)	Total
	(Rupees)	(Rupees)	(Rupees)
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>
Balance as at July 01, 2015.	12,000,000	326,594,919	338,594,919
Net Profit after tax for NINE months ended (July, 2015 to March, 2016)	-	3,942,627	3,942,627
Final Cash Dividend for the year ended 30th June, 2015 @ Rs.1.50-per share i.e. 15%.	-	(1,800,000)	(1,800,000)
Balance as at March 31, 2016.	<u>12,000,000</u>	<u>328,737,546</u>	<u>340,737,546</u>

Karachi:
28th April, 2016.



Fakhruddin Usmani

CEO



Quamruddin Usmani

Director

NOTES TO THE FINANCIAL INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS ENDED MARCH 31, 2016

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, 2014/5.

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, 2016 (June 30, 2015: Nil).

5 General

5.1 These Financial Statements were authorized for issue by the Board of Directors of the Company on 28th April, 2016.

5.2 Figures have been rounded off to the nearest rupee.

Karachi:
28th April, 2016.



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