

**1ST
QUARTER
FINANCIAL
STATEMENTS
30TH SEPTEMBER, 2015**



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
	:	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, 2015.

During the period under review, the State Bank pointed to the rupee's newfound strength, but added the caveat that it was easy to achieve but harder to sustain. In the months that followed, its analysis was borne out, with the rupee falling to near Rs102 to a dollar, where it has remained ever since. Nevertheless, by most independent estimates, this value is also higher than what it should be, given Pakistan's competitiveness in global markets.

We pray to Almighty Allah to help us and give us strength for 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:

29th October, 2015.

HAFIZ LIMITED

BALANCE SHEET (UN-AUDITED)

AS AT SEPTEMBER 30, 2015.

EQUITIES & LIABILITIES	30-Sep-15	30-Jun-15
	(Rupees)	(Rupees)

SHARE CAPITAL AND RESERVE:

Authorised:

2,000,000 (June 30, 2015 : 2,000,000) Ordinary

Shares of Rs.10/- each

	20,000,000	20,000,000
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Issued subscribed and paid up

1,200,000 (June 30, 2015 : 1,200,000) Ordinary

Shares of Rs.10/- each

	12,000,000	12,000,000
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Reserves

	325,509,237	326,594,919
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	337,509,237	338,594,919
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LONG TERM LOANS - FROM DIRECTORS

(Unsecured and interest free)

	65,000,805	65,000,805
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DEFERRED LIABILITIES - Gratuity

	285,912	275,232
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CURRENT LIABILITIES

Trade and other payable

	10,100,258	9,275,393
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Provision for taxation

	3,990,721	3,440,652
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	14,090,979	12,716,045
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Contingencies and Commitments

	-	-
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	416,886,932	416,587,001
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	416,886,932	416,587,001
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ASSETS	30-Sep-15	30-Jun-15
	(Rupees)	(Rupees)

NON CURRENT ASSETS

Property, plant and equipments

	4,094,501	4,253,855
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Investment property

	403,092,184	403,092,184
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Long Term investments - quoted

	1	1
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	407,186,686	407,346,040
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CURRENT ASSETS

Debtors

	2,124,665	3,589,785
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Deposits, prepayment and other receivables

	3,131,128	2,638,117
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Cash and bank balances

	4,444,452	3,013,058
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	9,700,245	9,240,960
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Net Assets in Bangladesh

	1	1
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	416,886,932	416,587,001
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	416,886,932	416,587,001
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Fakhruddin Usmani



Quamruddin Usmani

PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015.

PARTICULARS	For the Three Month ended 30th September, 2015.	For the Three Month ended 30th September, 2014.
	(Rupees)	(Rupees)
Rental Income	2,685,069	3,068,588
Direct Expenses	-	-
	<u>2,685,069</u>	<u>3,068,588</u>
FIXED COST AND OTHER CHARGES		
Administrative and selling	1,416,939	1,147,123
Financial	3,743	4,371
	<u>1,420,682</u>	<u>1,151,494</u>
OPERATING LOSS	<u>1,264,387</u>	<u>1,917,094</u>
Non - operating income	-	-
Net Profit / Loss before taxation	<u>1,264,387</u>	<u>1,917,094</u>
Taxation	(550,069)	(807,985)
Net Profit / Loss after taxation	<u>714,318</u>	<u>1,109,109</u>
Earning per share	0.60	0.92



Fakhruddin Usmani



Quamruddin Usmani

HAFIZ LIMITED

CASH FLOW STATEMENT (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015.

PARTICULARS	30-Sep-15 (Rupees)	30-Sep-14 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit after taxation	714,318	1,109,109
Depreciation	159,354	146,555
Provision for gratuity	10,680	8,523
Financial charges	3,743	4,371
	173,777	159,449
Operating profit before working capital changes	888,095	1,268,558
Movement in Working Capital <i>(Increase) /decrease in Current Assets</i>		
Deposits	-	-
Debtors	1,465,120	(1,094,400)
	1,465,120	(1,094,400)
<i>Increase / (decrease) in Current Liabilities</i>		
Trade and other payable	(425,651)	(3,979,759)
Cash generated from operations	1,927,564	(3,805,601)
Payment for:		
Gratuity	-	-
Taxes	(493,011)	(514,131)
Financial charges	(3,743)	(4,371)
Net cash inflow / (outflow) from operating activities	1,430,810	(4,324,103)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	2,413,030
Net cash outflow from investing activities	-	2,413,030
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term loans from Directors	-	-
Dividend Paid	584	-
Net cash outflow from financing activities	584	-
Net Increase/(decrease) in cash and bank balances	1,431,394	(1,913,073)
Cash and bank balances at beginning of the year	3,013,058	5,039,611
Cash and bank balances at end of the year	4,444,452	3,126,538



Fakhruddin Usmani



Quamruddin Usmani

HAFIZ LIMITED

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

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015.

	Share Capital	Reserves	Total
	(Rupees)	(Rupees)	(Rupees)
Balance as at July 01, 2014.	12,000,000	311,908,730	323,908,730
Net Profit after tax for THREE month ended (July, 2014 to September, 2014).	-	1,109,109	1,109,109
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 September 30, 2014.	<u>12,000,000</u>	<u>311,217,839</u>	<u>323,217,839</u>
Net Profit after tax for nine month ended (October, 2014 to June, 2015).	-	15,377,080	15,377,080
Balance as at June 30, 2015.	<u>12,000,000</u>	<u>326,594,919</u>	<u>338,594,919</u>
Net Profit after tax for THREE month ended (July, 2015 to September, 2015).	-	714,318	714,318
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 September 30, 2015.	<u>12,000,000</u>	<u>325,509,237</u>	<u>337,509,237</u>



Fakhruddin Usmani



Quamruddin Usmani

NOTES TO FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015

1 Status and Nature of Business

Hafiz 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, 2015 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, 2015.
- 3.2 Reserves are consisting on Revaluation Reserve for investment Property plus un-appropriated loss.
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.
- 4.1.3 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 preferred appeal before SECP on June 15, 2010. Since the outcome of the above appeal is pending and in view of the fact that management is confident that appeals will be decided in Company's favour, no provisions has been made in these financial statements relating to above appeals.

4.2 Commitments

There is no commitment outstanding for the period ended 30-09-2015 (June 30, 2015 : Nil).

5 General

- 5.1 These Financial Statements were authorized for issue by the Board of Directors of the Company on October 29, 2015.
- 5.2 Figures have been rounded off of the nearest rupee.

HAFIZ LIMITED

SHAREHOLDERS IMPORTANT NOTICES

CNIC copy to process dividend warrant in future

CNIC of the shareholders is mandatory in terms of the directive of the SECP contained in SRO 831(1)2012 dated July 05, 2012 for the issuance of future dividend warrants etc. and in the absence of CNIC copy, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore the shareholders who have not yet provided their CNIC's are once again advised to provide the attested copies of their CNICs (if not already provided) directly to our independent Share Registrar of the Company M/s. MG Associates (Pvt.) Ltd. F-4/2, Mustafa Avenue, Block-9, Behind "THE FORUM", Clifton, Karachi OR to the Company Secretary, Hafiz Limited, 97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi without any further delay.

New Tax Implications on dividends

Increased Tax Rates on Filers/Non-Filers

Through the Finance Act, 2015, enhanced rate of withholding tax on dividend amount has been prescribed in the Income Tax Ordinance, 2001, (Ordinance). New tax rates are as under:

- a) For Filers of Income Tax return 12.5%
- b) For Non-Filers of Income Tax return 17.5%

A 'filer' is a taxpayer, whose name appears in the Active Taxpayers List (ATL) issued by FBR, from time to time, whereas 'non-filer' is a person other than a 'filer'. FBR has uploaded an ATL on its web-site, which can be accessed at <http://fbr.gov.pk>.

The Company will check each shareholder's status on the latest ATL available at the first day of book closure and, if the shareholder's name does not appear on the ATL, the increased rate of withholding tax at 17.5% would be applied. In case of 'filer', withholding tax rate of 12.5% will be applicable.

The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to our Share Registrars, mentioning their Folio No. and the name of the Company.

Taxation for Joint Shareholders

The FBR has clarified that where the shares are held in joint accounts/names, each account/joint holder will be treated individually as either a filer or a non-filer and tax will be deducted according to his/her shareholding. The shareholders, who are having joint shareholding status, are requested to kindly intimate their joint shareholding proportions to the Company Secretary, Hafiz Limited, 97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi OR Share Registrar of the Company M/s. MG Associates (Pvt.) Ltd. F-4/2, Mustafa Avenue, Block-9, Behind "THE FORUM", Clifton, Karachi in the following format:

Folio/CDC A/c No.	Name of Shareholders (principle/joint holders)	No. of Shares or percentage (proportion)	CNIC No.	Signature
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BOOK POST

UNDER POSTAL CERTIFICATE

If undelivered please return to:

HAFIZ LIMITED

97, Alliance Building, 2nd Floor, Mooji Street, M.W. Tower, Karachi-74000