

**1ST
QUARTER
FINANCIAL
STATEMENTS
30TH SEPTEMBER, 2017**



HAFIZ LIMITED

COMPANY INFORMATON

Chief Executive Officer	: <i>Fakhruddin Usmani</i>
Directors	: <i>Quamruddin Usmani</i> : <i>Muhammad Farooq Usmani</i> : <i>Mahmood Wali Muhammad</i> : <i>Muhammad Atiq</i> : <i>Ali Muhammad Usmani</i> : <i>Muhammad Shahzad Fakir</i>
Board of Audit Committee	
Chairman	: <i>Quamruddin Usmani</i>
Members	: <i>Muhammad Farooq Usmani</i> <i>Mahmood Wali Muhammad</i>
Board of Human Resource Committee	
Chairman	: <i>Ali Muhammad Usmani</i>
Members	: <i>Fakhruddin Usmani</i> : <i>Quamruddin Usmani</i>
Chief Financial Officer	: <i>Muhammad Shahid Siddiqui</i>
Company Secretary	: <i>S. Shafiq Hasan</i>
Bankers	: <i>Habib Metropolitan Bank Ltd.</i> : <i>HBL Bank Limited</i> : <i>MCB Bank Limited</i> : <i>National Bank of Pakistan</i>
Auditors	: <i>Moochhala Gangat & Co.,</i> <i>Chartered Accountants, Karachi.</i>
Shares Registrar	: <i>F. D. Registrar Service(SMC-Pvt) Ltd.</i> <i>1705, 17th Floor,</i> <i>Saima Trade Tower-A,</i> <i>I. I. Chundrigar Road,</i> <i>Karachi-74000</i>
Registered Office	: <i>97, Alliance Building, 2nd Floor,</i> <i>Moolji Street, Mereweather Tower,</i> <i>Karachi-74000.</i>
Mill at	: <i>D-9, S.I.T.E., Karachi.</i>
Website	: <i>www.hafiztm.com</i>

DIRECTOR'S REVIEW

The Director of your company are pleased to present their 1st Quarter year un-audted Accounts for the period ended September 30, 2017.

As Pakistan slowly emerges from a long-term power crisis, its once booming textile sector is scrambling to find its feet -- but high energy costs and a decade lost to competitors mean recovery is far from assured. Energy production was severely depressed for more than 10 years due to chronic under-investment, inefficiencies in the power network and an inability to collect sufficient revenue to cover costs. The result was crippling for manufacturers and in particular the textile sector, which employs 30 per cent of the working population. Pakistan is the world's fourth largest cotton producing country but interminable power and gas cuts have stopped exporters from producing their orders on time. Many have watched helplessly as their clients have instead turned to Vietnam or Bangladesh.

We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the period. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

FOR AND ON BEHALF OF THE BOARD



Fakhruddin Usmani
CEO

Karachi:
30th October, 2017.

ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹر پہلی سہ ماہی مہلت 30 ستمبر 2017 کے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

پاکستان آہستہ آہستہ توانائی کے طویل بحران سے نکل رہا ہے جس کی وجہ سے ٹیکسٹائل کا شعبہ اپنے قدم جمانے کی کوشش کر رہا ہے لیکن توانائی کے بلند نرخ اور ایک عشرے تک مسابقت کی اہلیت نہ ہونے کی وجہ سے بحالی میں ابھی کافی وقت لگے گا۔ توانائی کی پیداوار پچھلے دس سالوں میں انتہائی وباؤ کا شکار رہی جس کی وجہ سے سرمایہ کاری کی عدم دستیابی، توانائی کے نیٹ ورک میں عدم مستعدی اور لاگت پر قابو پانے کے لئے محاصل کے حصول میں ناکامی تھی۔ اس کا نتیجہ یہ نکلا کہ کارخانے دار خاص طور پر ٹیکسٹائل کا شعبہ جو کل مزدور طبقے کے 30 فیصد کو روزگار فراہم کرتا ہے، معذور ہو گئے۔ پاکستان دنیا کا چوتھا بڑا کپاس پیدا کرنے والا ملک ہے لیکن بلا تسلسل توانائی اور گیس کی قلت کی وجہ سے برآمد کنندگان کو اپنے آرڈرز پایہ تکمیل تک پہنچانے میں ناکامی ہوئی۔ جس کا نتیجہ یہ نکلا کہ بہت سارے گاہک ویت نام اور بنگلہ دیش کی طرف چلے گئے۔

اس مدت کے دوران میں تمام کسٹمرز، وینڈرز، ڈیلرز، سرمایہ دار، کاروباری متعلقین اور پیکرز کے مسلسل تعاون کا مشکور ہوں۔ تمام ملازمین نے ہر سطح پر تعاون کیا، جس کے لئے میں ان کی خدمات کو سراہتا ہوں۔ چیلنجز سے نمٹنے کی ہماری صلاحیت کی بنیاد ہی وجہ ان کی انتھک محنت، جدوجہد، تعاون اور یکجہتی تھا۔

از طرف بورڈ

فخر الدین عثمانی

سی ای او

کراچی


30 اکتوبر 2017

HAFIZ LIMITED

BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2017.

EQUITIES & LIABILITIES	30-Sep-17	30-Jun-17
	----- <i>(Rupees)</i> -----	
ASSETS		
Non-current assets		
Property, plant and equipment	4,141,945	4,131,379
Investment property	441,512,475	441,512,475
Long term investments- quoted	1	1
	445,654,421	445,643,855
Current assets		
Trade debts	544,320	544,320
Deposits and income tax	1,808,563	3,957,629
Cash and bank balances	3,721,045	4,010,740
	6,073,928	8,512,689
Net assets in Bangladesh	1	1
Total assets	451,728,350	454,156,545
EQUITY AND LIABILITIES		
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	428,219,875	430,434,578
	440,219,875	442,434,578
Non Current Liabilities		
Deferred liabilities	304,061	296,874
	304,061	296,874
Current Liabilities		
Trade and other payable	10,381,152	8,518,241
Provision for taxation	823,262	852
	11,204,414	8,519,093
Contingencies and commitments	-	-
Total equity and liabilities	451,728,350	451,250,545

Karachi:
30th October, 2017.


Muhammad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Quamruddin Usmani
Director


HAFIZ LIMITED

PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017.

PARTICULARS	For the Three Months ended 30th September, 2017.	For the Three Months ended 30th September, 2016.
	----- <i>(Rupees)</i> -----	
Rental income	3,152,141	3,069,282
Administrative expenditure	1,718,616	1,339,027
Financial charges	6,326	3,412
	1,724,942	1,342,439
Profit before taxation	1,427,199	1,726,843
Taxation	(591,902)	(692,870)
Profit after taxation	835,297	1,033,973
Earnings per share	0.70	0.86

Karachi:
30th October, 2017.


Muhammad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Quamruddin Usmani
Director

CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017.

CASH FLOW FROM OPERATING ACTIVITIES

Profit after taxation	835,297	1,033,973
Depreciation	161,034	193,662
Provision for gratuity	7,187	34,692
Financial charges	6,326	3,412
	174,547	231,766
Operating profit before working capital changes	1,009,844	1,265,739

Movement in Working Capital

(Increase)/decrease in Current Assets

Trade debts	-	330,400
	-	330,400

Increase / (decrease) in Current Liabilities

Trade and other payable	1,629,157	1,251,508
	1,629,157	1,251,508

Cash generated from operations

2,639,001

2,847,647

Payments for:

Taxes	(499,268)	(608,664)
Financial charges	(6,326)	3,412

Net cash inflow from operating activities

2,133,407

2,242,395

CASH FLOW FROM INVESTING ACTIVITIES

Proceed from sale of fixed assets	-	-
Fixed capital expenditure	(171,600)	-
Net cash (outflow) from investing activities	(171,600)	-

CASH FLOW FROM FINANCING ACTIVITIES

Loan from directors	(1,250,000)	-
Dividend paid	-	-
Net cash (outflow) from financing activities	(1,250,000)	-

Net increase in cash and bank balances

711,807

2,242,395

Cash and bank balances at beginning of the year

3,009,238


3,009,238


Cash and bank balances at end of the year

3,721,045

5,251,633

Karachi:
30th October, 2017. .


Muhammad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Quamruddin Usmani
Director


HAFIZ LIMITED

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


FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017.

	Share Capital	Reserves			Total Reserves	Total equity
		Unappropriated (loss)	Interest Free Loan from Directors	Revaluation reserve for investment property		
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 THREE month ended (July, 2016 to September, 2016).		18,970,615			18,970,615	18,970,615
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 September 30, 2016.	12,000,000	(1,337,594)	61,500,805	371,752,394	431,915,605	443,915,605
Interest Free loan payments			(2,515,000)		(2,515,000)	(2,515,000)
Net profit after tax for NINE month ended (October, 2016 to June, 2017).	-	1,033,973		-	1,033,973	1,033,973
Balance as at June 30, 2017.	12,000,000	(303,621)	58,985,805	371,752,394	430,434,578	442,434,578
Net profit after tax for THREE months ended (July, 2017 to September, 2017).	-	835,297	-	-	835,297	835,297
Interest Free loan payments	-	-	(1,250,000)	-	(1,250,000)	(1,250,000)
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 September 30, 2017.	12,000,000	(1,268,324)	57,735,805	371,752,394	428,219,875	440,219,875

Karachi:
30th October, 2017.


Muhammad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Quamruddin Usmani
Director

NOTES TO FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

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, 2017 have been prepared and are being circulated to the members as per the requirement of section 237 of the Companies Act, 2017 and is unaudited as required by the Code of Corporate Governance and as per the listing regulations of Pakistan 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, 2017.
- 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 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.
- 4.1.3 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 30-09-2017 (30 June,2017: Nil).


5 General

- 5.1 These Financial Statements were authorized for issue by the Board of Directors of the Company on October 30, 2017.
- 5.2 Figures have been rounded off of the nearest rupee.

Karachi:
30th October, 2017. .


Muhammad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Quamruddin Usmani
Director

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, Mooli 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 dividend 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	
ii) Shareholder's Bank Detail	
Title 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 after duly 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 LIMITED

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