

**3RD
QUARTER
FINANCIAL
STATEMENTS
31ST MARCH 2019**



HAFIZ LIMITED

HAFIZ LIMITED

COMPANY INFORMATION

Board of Directors	:	<i>Quamruddin Osmani</i>	<i>Chairman</i>
	:	<i>Fakhruddin Usmani</i>	<i>Chief Executive</i>
	:	<i>Muhammad Farooq Usmani</i>	<i>Director</i>
	:	<i>Mahmood Wali Muhammad</i>	<i>Director</i>
	:	<i>Muhammad Atiq</i>	<i>Director</i>
	:	<i>Ali Muhammad Usmani</i>	<i>Director</i>
	:	<i>Muhammad Shahzad Fakir</i>	<i>Director</i>

Board of Audit Committee

Chairman	:	<i>Quamruddin Osmani</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 Osmani</i>

Chief Financial Officer : *Muhammad Shahid Siddiqui*

Company Secretary : *S. Shafiq Hasan*

Bankers : *Habib Metropolitan Bank Ltd.*
: *HBL Bank Limited*
: *MIB-MCB Islamic Bank Limited*
: *National Bank of Pakistan*

Auditors : *MAZARS M.F. & Co.*
Chartered Accountants,
Karachi.

Shares Registrar : *F.D. Registrar Service (SMC-Pvt) Ltd.*
170-5, 17th Floor, Saima Trade Tower-A
I. I. Chundrigar Road, Karachi-74000

Registered Office : *97, Alliance Building, 2nd Floor,*
Moolji Street, Mereweather Tower,
Karachi-74000.

Mill at : *D-9, S.I.T.E., Karachi.*

Webside : *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, 2019.

In our opinion everything is doable just we only need sincerity in our every action and policy. If I talk about key economic challenges I must say that our businessman is facing high cost of doing business and due to this high input cost of production we are not even able to compete in our regional markets. A businessman is given a run around if he decides to invest in Pakistan. At present in our current tax system, a taxpayer who is already paying tax is burdened with more taxes instead of bringing non-taxpayer individual into tax net.

As a nation, we have to change our mindset. Our mind is full of negative thoughts as our media presents sensational stories and invite so-called experts who contribute in projecting negative thinking and negative national psyche. Unless we have a positive 'can do' and 'everything is doable' mentality, it is not difficult to progress.

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



Quamruddin Osmani
Chairman



Fakhruddin Usmani
CEO

Karachi:
25th April, 2019

ڈائریکٹران کا جائزہ


آپ کی کمپنی کے ڈائریکٹران سال کی تیسری سہ ماہی کے مالیاتی گوشوارے برائے مختتمہ مدت 31 مارچ 2019 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

ہماری رائے میں ہر چیز قابل عمل ہے بشرطیکہ ہم اپنے ہر عمل میں خلوص نیت کے ساتھ پالیسی کے مطابق کام کریں۔ اگر ہم اہم معاشی چیلنجز کے متعلق بات کرتے ہیں تو ہم یہ کہنا پسند کریں گے کہ ہمارے کاروباری طبقے کو کاروبار کرنے کے لئے انتہائی بلند لاگت کا سامنا ہے یہاں تک کہ پیداوار کی اسی بلند خام لاگت کی وجہ سے ہم علاقائی مارکیٹ سے مسابقت کے قابل نہیں ہیں۔ ایک کاروباری فرد کو پاکستان میں سرمایہ کاری سے قبل بہت اچھی طرح جائزہ لینا ہوتا ہے۔ اس وقت ہمارے موجودہ ٹیکس نظام میں ٹیکس نادر ہندگان کو ٹیکس نیٹ میں لانے کے بجائے ایک ٹیکس دہندہ جو کہ پہلے سے بہت زیادہ ٹیکس ادا کر رہا ہوتا ہے اس پر مزید ٹیکس لاد دیئے جاتے ہیں۔

بحیثیت قوم ہمیں اپنی ذہنیت کو تبدیل کرنا پڑے گا۔ ہمارا ذہن مکمل طور پر منفی سوچ پر مبنی ہے کیونکہ ہمارا میڈیا جذباتی کہانیاں پیش کرتا ہے اور ایسے نام نہاد ماہرین کو پیش کرتا ہے جو کہ منفی سوچ اور منفی قومی سائیکلی کو پروان چڑھاتے ہیں۔ جب تک کہ ہم اس سوچ پر نہیں آجاتے کہ ”ہم کرسکتے ہیں“ اور ہر کام کیا جاسکتا ہے، ہمارے لئے ترقی مشکل امر ہے۔

ہم اللہ رب العزت سے دعا کرتے ہیں وہ ہماری مدد فرمائے اور مزید بہتری کے لئے ہمیں مزید طاقت دے۔
بورڈ اس موقع پر کمپنی کے ایگزیکٹو، اسٹاف ممبران کی مسلسل قابل تعریف، پر خلوص خدمات اور قابل قدر خدمات پر انہیں تہنیت پیش کرتا ہے۔

برائے و منجانب


فخر الدین عثمانی
چیف ایگزیکٹو آفیسر


فخر الدین عثمانی
چیف ایگزیکٹو آفیسر

کراچی 25 اپریل 2019

HAFIZ LIMITED


BALANCE SHEET (UN-AUDITED) **AS AT MARCH 31, 2019**


ASSETS	31-Mar-19	30-Jun-18
	----- <i>(Rupees)</i> -----	
Non-current assets		
Property, plant and equipment	3,721,751	4,214,436
Investment property	453,023,692	453,023,692
Long term investments- quoted	1	1
	456,745,444	457,238,129
Current assets		
Trade debts	-	783,600
Loans and advances	261,419	60,000
Deposits and income tax	2,961,474	4,058,398
Cash and bank balances	7,594,454	5,023,403
	10,817,347	9,925,401
Net assets in Bangladesh	1	1
Total assets	467,562,792	467,163,531

CAPITAL AND LIABILITIES	31-Mar-19	30-Jun-18
	----- <i>(Rupees)</i> -----	
Share Capital and Reserves		
Authorized		
2,000,000 (2018: 2,000,000) ordinary shares of	20,000,000	20,000,000
Issued, subscribed and paid-up		
1,200,000 (2018: 1,200,000) ordinary shares of	12,000,000	12,000,000
Reserves	443,688,070	443,251,503
	455,688,070	455,251,503
Non Current Liabilities		
Deferred liabilities	333,709	311,412
	333,709	311,412
Current Liabilities		
Trade and other payable	10,111,843	8,728,702
Provision for taxation	1,429,170	2,871,914
	11,541,013	11,600,616
Contingencies and commitments	-	-
Total equity and liabilities	467,562,792	467,163,531

The annexed notes form an integral part of these condensed interim financial information.

Karachi
25th April, 2019.


Muhammad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Quamruddin Osmani
Director


HAFIZ LIMITED

**PROFIT AND LOSS ACCOUNT
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019**

PARTICULARS	For the 3rd Quarter Ended		For the Nine Months Ended	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	------(Rupees)-----		------(Rupees)-----	
Rental income	2,634,188	3,812,391	8,325,073	10,990,369
Administrative expenditure	1,084,765	1,603,783	4,348,527	4,639,999
Financial charges	1,639	5,755	10,809	22,298
	1,086,404	1,609,538	4,359,336	4,662,297
Profit before taxation	1,547,784	2,202,853	3,965,737	6,328,072
Taxation	(487,325)	(814,809)	(1,429,170)	(2,152,758)
Profit after taxation	1,060,459	1,388,044	2,536,567	4,175,314
Earnings per share - Basic and diluted	0.88	1.16	2.11	3.48

The annexed notes form an integral part of these condensed interim financial information.

Karachi
25th April, 2019.


Muhammad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Qamruddin Osmani
Director

HAFIZ LIMITED

CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

	31-Mar-19	31-Mar-18
	----- <i>(Rupees)</i> -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,965,737	6,328,072
Depreciation	492,685	489,776
Provision for gratuity	22,297	21,560
Financial charges	10,809	22,298
	<u>525,791</u>	<u>533,634</u>
Operating profit before working capital changes	4,491,528	6,861,706
Movement in Working Capital		
(Increase)/decrease in Current Assets		
Trade debts	783,600	544,320
Loans and Advances	(201,419)	-
	<u>582,181</u>	<u>544,320</u>
Increase / (decrease) in Current Liabilities		
Trade and other payable	900,594	370,529
Cash generated from operations	5,974,303	7,776,555
Payments for:		
Taxes	(1,774,990)	(1,893,657)
Financial charges	(10,809)	(22,298)
Net cash inflow from operating activities	<u>4,188,504</u>	<u>5,860,600</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	-	(171,600)
Net cash (outflow) from investing activities	-	(171,600)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from directors	-	(2,350,900)
Dividend paid	(1,617,453)	(1,406,725)
Net cash (outflow) from financing activities	<u>(1,617,453)</u>	<u>(3,757,625)</u>
Net increase in cash and bank balances	2,571,051	1,931,375
Cash and bank balances at beginning of the year	<u>5,023,403</u>	<u>4,010,740</u>
Cash and bank balances at end of the year	<u>7,594,454</u>	<u>5,942,115</u>

The annexed notes form an integral part of these condensed interim financial information.

Karachi
25th April, 2019.


Muhammad Shahid Siddiqui
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Director

HAFIZ LIMITED


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

FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Reserves				Total Reserves	Total equity
	Share Capital	Un-appropriated (loss)	Interest Free Loan from Directors	Revaluation reserve for investment property		
Balance as at July 01, 2017.	12,000,000	(303,621)	58,985,805	371,752,394	430,434,578	442,434,578
Net Profit after tax for NINE months ended (July, 2017 to March, 2018).	-	4,175,314	-	-	4,175,314	4,175,314
Interest Free Loan Payments	-	-	(2,350,900)	-	(2,350,900)	(2,350,900)
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 March 31, 2018.	12,000,000	2,071,693	56,634,905	371,752,394	430,458,992	442,458,992
Balance as at July 01, 2018.	12,000,000	14,864,204	56,634,905	371,752,394	443,251,503	455,251,503
Net Profit after tax for NINE months ended (July, 2018 to March, 2019).	-	2,536,567	-	-	2,536,567	2,536,567
Final dividend for the year ended June 30, 2018 @ Rs.1.75 per share i.e. 17.5%.	-	(2,100,000)	-	-	(2,100,000)	(2,100,000)
Balance as at March 31, 2019.	12,000,000	15,300,771	56,634,905	371,752,394	443,688,070	455,688,070

The annexed notes form an integral part of these condensed interim financial information.

Karachi
25th April, 2019.


Muhammad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Quamruddin Osmani
Director

HAFIZ LIMITED

NOTES TO THE FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2019

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, 2018.
- 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, 2019 (June 30, 2018: Nil).

5 General

- 5.1 These Financial Statements were authorized for issue by the Board of Directors of the Company on 25th April, 2019.
- 5.2 Figures have been rounded off to the nearest rupee.

Karachi
25th April, 2019.


Muhammad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Quamruddin Osmani
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. 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: M/s F.D. Registrar Services (SMC-Pvt.) Ltd. 1705, 17th Floor, Saima Trade Tower 'A' I. I. Chundrigar Road, Karachi or our registered office:Hafiz Limited 97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi, along with relevant documents in support of your claim under a duly signed letter (in accordance with specimen signature recorded with the Company):

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.

3. E-Dividend Mandate (Mandatory)

Under the provisions of Section 242 of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

Shareholders who have not yet submitted their International Bank Account Number (IBAN) are requested to fill in Electronic Credit Mandate Form and send it duly signed along with a copy of CNIC to the Registrar of the Company **M/s .F.D. Registrar Services (SMC-Pvt.) Ltd.** 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000, in case of physical shares.

In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.

HAFIZ LIMITED

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

NOTICE OF MANDATORY PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE

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	

2) 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.

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 please return to:

HAFIZ LIMITED

97, Alliance Building, Moolji Street, Mereweather Tower, Karachi-74000