

**1ST  
QUARTER  
FINANCIAL  
STATEMENTS  
30TH SEPTEMBER 2018**



**HAFIZ LIMITED**

## **COMPANY INFORMATION**

<b>Board of Directors</b>	:	<i>Quamruddin Usmani</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**

<b>Chairman</b>	:	<i>Quamruddin Usmani</i>
<b>Members</b>	:	<i>Muhammad Farooq Usmani</i> <i>Mahmood Wali Muhammad</i>

### **Board of Human Resource Committee**

<b>Chairman</b>	:	<i>Ali Muhammad Usmani</i>
<b>Members</b>	:	<i>Fakhruddin Usmani</i> <i>Quamruddin Usmani</i>

**Chief Financial Officer** : *Muhammad Shahid Siddiqui*

**Company Secretary** : *S. Shafiq Hasan*

**Bankers** : *Habib Metropolitan Bank Ltd.*  
: *HBL Bank Limited*  
: *MIB 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, 2<sup>nd</sup> 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 1st Quarter Year un-audited Accounts for the period ended September 30, 2018.

As we are aware the Pakistan textile industry contributes more than 60 percent (US \$ 9.6 billion) to the country's total exports. However, currently this industry is facing great decline in its growth rate.

The major reasons for this decline can be the global recession, internal security concerns, the high cost of production due to increase in the energy costs etc. Depreciation of Pakistani rupee that significantly raised the cost of imported inputs, rise in inflation rate, and high cost of financing has also effected seriously the growth in the textile industry.

As a result neither the buyers are able to visit frequently Pakistan nor are the exporters able to travel abroad for effectively marketing their products. With an in-depth investigation it was found that the Pakistan's textile industry can once again be brought back on winning track if government takes serious actions in removing or normalizing the above mentioned hurdles.

Additionally, the government should provide subsidy to the textile industry, minimize the internal dispute among the exporters, withdraw the withholding and sales taxes etc. Purchasing new machinery or enhancing the quality of the existing machinery and introducing new technology can also be very useful in increasing the research & development (R & D) related activities that in the modern era are very important for increasing the industrial growth of a country.

We pray to Almighty Allah to help us and give us strength to overcome the business problems 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 October, 2018.

## ڈائریکٹران کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2018ء کی اختتامی مدت کے لئے سال کے پہلی سہ ماہی کا غیر آڈٹ شدہ اکاؤنٹ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

جیسا کہ ہم جانتے ہیں کہ پاکستان ٹیکسٹائل انڈسٹری ملک کی کل برآمدات کا 60 فیصد (امریکن ڈالر 9.6 بلین) روپے کا شراکت دار ہے۔ تاہم، فی الحال اس صنعت کی ترقی کی شرح میں تنزلی کا سامنا ہے۔

اس تنزلی کا بڑا سبب عالمی معاشی بحران، داخلی سیکورٹی خدشات، توانائی کی لاگت وغیرہ میں اضافے کی وجہ سے پیداوار کی زیادہ قیمت ہے۔ پاکستانی روپے کا استحصال جو کہ نمایاں طور پر درآمدی پیداوار کی قیمتوں میں اضافہ، افراط زر کی شرح میں بڑھوتری، اور فنانسنگ کی زیادہ لاگت نے ٹیکسٹائل کی صنعت کو متاثر کیا ہے۔

نتیجے کے طور پر نہ تو خریدار پاکستان میں زیادہ طور پر وزٹ کر رہے ہیں اور نہ برآمد کنندگان سفر کر کے موثر طور پر اپنی پیداوار کی مارکیٹنگ کر سکے ہیں۔ گہری تحقیقات کے ساتھ پتہ چلا ہے کہ اگر حکومت مندرجہ بالا رکاوٹوں کو ہٹانے یا معمول پر لانے پر سنجیدہ کارروائی کرے تو پاکستان کی ٹیکسٹائل انڈسٹری ایک بار پھر جیتنے کی حالت میں واپس آ سکتی ہے۔

اس کے علاوہ حکومت کو ٹیکسٹائل انڈسٹری کو سبسڈی فراہم کرنی چاہئے، برآمد کنندگان کے درمیان اندرونی تنازع دور کرے اور ودھولڈنگ ٹیکس اور سیلز ٹیکس وغیرہ واپس لے۔ نئی مشینوں کی خریداری اور نئی ٹکنالوجی کو متعارف کرنے سے متعلق سرگرمیاں سے بھی تحقیق اور ترقی (R&D) میں مزید اضافہ ہو سکتا ہے۔ جدید دور ملک کی ترقی بڑھانے کے لئے بہت اہم ہے۔


ہم اللہ تعالیٰ سے دعا کرتے ہیں کہ ہماری مدد کرے اور ہمیں طاقت دے کہ مزید ترقی کے لئے کاروباری مسائل پر قابو پا سکیں۔

بورڈ کمپنی کے ایگزیکٹو، اسٹاف ممبران کی طرف سے فراہم کردہ قیمتی خدمات اور وفاداریاں اور مسلسل کوششیں، کرنے پر اس کی تعریف کرتا ہے۔

منجانب اور برائے بورڈ



فخر الدین عثمانی  
چیف ایگزیکٹو آفیسر



فخر الدین عثمانی  
چیئر مین


کراچی 25 اکتوبر 2018

# HAFIZ LIMITED

## BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2018

ASSETS	30-Sep-18	30-Jun-18
------(Rupees)-----		
<b>Non-current assets</b>		
Property, plant and equipment	4,050,208	4,214,436
Investment property	453,023,692	453,023,692
Long term investments- quoted	1	1
	<b>457,073,901</b>	<b>457,238,129</b>
<b>Current assets</b>		
Stores and spares	-	-
Trade debts	-	783,600
Loans and advances	137,183	60,000
Deposits and income tax	1,808,660	4,058,398
Cash and bank balances	6,470,124	5,023,403
	<b>8,415,967</b>	<b>9,925,401</b>
Net assets in Bangladesh	1	1
<b>Total assets</b>	<b>465,489,869</b>	<b>467,163,531</b>
EQUITY AND LIABILITIES	30-Sep-18	30-Jun-18
------(Rupees)-----		
<b>Capital and Reserves</b>		
Authorized		
2,000,000 (2018: 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	441,528,432	443,251,503
	<b>453,528,432</b>	<b>455,251,503</b>
<b>Non Current Liabilities</b>		
Deferred liabilities	318,844	311,412
	<b>318,844</b>	<b>311,412</b>
<b>Current Liabilities</b>		
Trade and other payable	11,124,629	8,728,702
Provision for taxation	517,964	2,871,914
	<b>11,642,593</b>	<b>11,600,616</b>
Contingencies and commitments	-	-
<b>Total equity and liabilities</b>	<b>465,489,869</b>	<b>467,163,531</b>

Karachi  
25th Oct., 2018.

  
**Muhammad Shahid Siddiqui**  
CFO

  
**Fakhruddin Usmani**  
CEO

  
**Kumaruddin Usmani**  
CEO

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

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018**

PARTICULARS	For the Three Months ended 30th September, 2018.	For the Three Months ended 30th September, 2017.
	-----( <i>Rupees</i> )-----	
Rental income	2,933,003	3,152,141
Administrative expenditure	(2,036,778)	(1,718,616)
Financial charges	(1,332)	(6,326)
	(2,038,110)	(1,724,942)
	894,893	1,427,199
Profit before taxation	894,893	1,427,199
Taxation	(517,964)	(591,902)
Profit after taxation	376,929	835,297
Earnings per share	0.31	0.70

Karachi  
25th Oct., 2018.

  
Muhammad Shahid Siddiqui  
CFO

  
Fakhruddin Usmani  
CEO

  
Qumaruddin Usmani  
CEO

## CASH FLOW STATEMENT (UN-AUDITED)

### FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018

	30-Sep-18	30-Sep-17
	----- <i>(Rupees)</i> -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	894,893	835,297
Depreciation	164,229	161,034
Provision for gratuity	7,432	7,187
Financial charges	1,332	6,326
	172,993	174,547
	1,067,886	1,009,844
<b>Operating profit before working capital changes</b>		
<b>Movement in Working Capital</b>		
<b>(Increase)/decrease in Current Assets</b>		
Trade debts	783,600	-
Loans and Advances	(77,183)	-
	706,417	-
<b>Increase / (decrease) in Current Liabilities</b>		
Trade and other payable	295,926	284,455
	295,926	284,455
Cash generated from operations	2,070,229	1,294,299
<b>Payments for:</b>		
Taxes	(622,176)	(499,268)
Financial charges	(1,332)	(6,326)
Net cash inflow from operating activities	1,446,721	788,705
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	-	171,600
Net cash (outflow) from investing activities	-	171,600
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan from directors	-	(1,250,000)
Dividend paid	-	-
Net cash (outflow) from financing activities	-	(1,250,000)
<b>Net increase in cash and bank balances</b>	1,446,721	(289,695)
<b>Cash and bank balances at beginning of the year</b>	5,023,403	4,010,740
<b>Cash and bank balances at end of the year</b>	6,470,124	3,721,045

Karachi  
25th Oct., 2018.

  
**Muhammad Shahid Siddiqui**  
CFO

  
**Fakhruddin Usmani**  
CEO

  
**Kumaruddin Usmani**  
CEO

## HAFIZ LIMITED

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

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018**

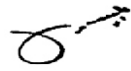
	Reserves					Total equity
	Share Capital	Un-appropriated (loss)	Interest Free Loan from Directors	Revaluation reserve for investment property	Total Reserves	
Balance as at July 01, 2017.	12,000,000	(303,621)	58,985,805	371,752,394	430,434,578	442,434,578
Net profit after tax for THREE months ended (Jul., 2017 to Sept., 2017)		835,297			835,297	835,297
Repayment of loan			(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)
<b>Balance as at September 30, 2017.</b>	<b>12,000,000</b>	<b>(1,268,324)</b>	<b>57,735,805</b>	<b>371,752,394</b>	<b>428,219,875</b>	<b>440,219,875</b>
Net profit after tax for THREE months ended (Sept., 2017 to Jun., 2018)		16,132,528			16,132,528	16,132,528
Repayment of loan			(1,100,900)		(1,100,900)	(1,100,900)
<b>Balance as at June 30, 2018.</b>	<b>12,000,000</b>	<b>14,864,204</b>	<b>56,634,905</b>	<b>371,752,394</b>	<b>443,251,503</b>	<b>455,251,503</b>
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 THREE months ended (Jul., 2018 to Sept., 2018)	-	376,929	-	-	376,929	376,929
Final dividend for the year ended June 30, 2018 @ Rs.2/- per share i.e. 20%.	-	(2,100,000)	-		(2,100,000)	(2,100,000)
<b>Balance as at September 30, 2018.</b>	<b>12,000,000</b>	<b>13,141,133</b>	<b>56,634,905</b>	<b>371,752,394</b>	<b>441,528,432</b>	<b>453,528,432</b>



**Muhammad Shahid Siddiqui**  
CFO



**Fakhruddin Usmani**  
CEO



**Kumaruddin Usmani**  
CEO

Karachi  
25th Oct., 2018.



**NOTES ANNEXED TO THE FINANCIAL  
INFORMATION (UN-AUDITED)  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018**

**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 September 30, 2018 (June 30, 2018: Nil).

**5 General**

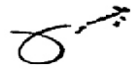
- 5.1 These Financial Statements were authorized for issue by the Board of Directors of the Company on 25th Oct., 2018.
- 5.2 Figures have been rounded off to the nearest rupee.



**Muhammad Shahid Siddiqui**  
CFO



**Fakhruddin Usmani**  
CEO



**Kumaruddin Usmani**  
CEO

Karachi  
25th Oct., 2018.

# 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, 17<sup>th</sup> 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](mailto: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 TEXTILE MILLS LIMITED**

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