

**1ST
QUARTER
FINANCIAL
STATEMENTS
30TH SEPTEMBER 2020**



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 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*
htm1951@hotmail.com

DIRECTOR'S REVIEW

The Directors of your company are pleased to present their 1st Quarter Accounts for the period ended September 30, 2020.


If we take a look at major investment transactions of the past several years, most suffered from these structural weaknesses. While Pakistan is trying to recover from macroeconomic deficits perhaps the most striking is the trust deficit and a disconnect between economic managers and businessmen. Investors have appreciated the good intentions of the prime minister, but they see a fragmented second tier and no positive change in the delivery infrastructure.

China tops the FDI list in Asia with \$136 billion, followed by Hong Kong (\$104bn), India (\$40bn), Indonesia (\$23bn), Vietnam (\$14bn) and Malaysia (\$10bn). According to the United Nations Conference on Trade and Development, liberalisation of investment policies and investment incentives account for more than 50 per cent of reforms that attract investment. The key lesson for Pakistan is to properly sequence investment climate reforms and come up with a world-class industrial policy and incentives. Investment facilitation and ease of doing business will then help fast-track transactions.

During the period, your directors are doing their best to solve the problems of the company and Inshallah the company directors shall maintain the progress of the company in the coming period.

The directors wish to place on record their deep appreciations for continuous supports by bankers, friends, well wishers and also thank the members of staff of the company for their hard work and devotion of duty.

FOR AND ON BEHALF OF THE BOARD



Quamruddin Osmani
Chairman



Fakhruddin Usmani
CEO

Karachi:
28th October, 2020

سہ ماہی جائزہ

آپ کی کمپنی کے ڈائریکٹران سہ ماہی مالیاتی گوشوارے برائے اختتام مدت 30 ستمبر 2020 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔


اگر ہم ماضی کے کچھ بڑے سرمایہ کاری سودوں پر نگاہ ڈالیں تو ان میں اکثریت ڈھانچہ کی کمزوریوں کا شکار ہوئیں۔ جبکہ پاکستان معاشی خسارے کو بحال کرنے کی کوشش کر رہا ہے جس میں شاید سب سے زیادہ متاثر اعتماد کے فقدان اور معاشی منتظمین اور کاروباری افراد کے درمیان بے تعلقی ہے۔ سرمایہ کاروں نے وزیراعظم کے اچھے ارادوں کو سراہا ہے لیکن ہم دوسری مرتبہ بھی ممکنہ زبوں حالی دیکھ رہے ہیں اور ترقی ساخت میں اب تک کوئی مثبت تبدیلی نہیں آئی ہے۔

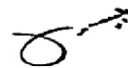
ایشیا میں چین FDI میں 136 بلین ڈالر کے ساتھ سرفہرست ہے، جس کے بعد ہانگ کانگ (104 بلین ڈالر)، انڈیا (40 بلین ڈالر)، انڈونیشیا (23 بلین ڈالر)، ویتنام (14 بلین ڈالر) اور ملائیشیا (10 بلین ڈالر) ہیں۔ اقوام متحدہ کی کانفرنس برائے تجارت و ترقی کے مطابق سرمایہ کاری پالیسیوں میں آزادی اور سرمایہ کاری ترغیبات اصلاحات کا 50 فیصد سے زیادہ ہیں جن سے سرمایہ کاری کو کشش کیا گیا۔ پاکستان کے لئے اس میں سبق یہ ہے کہ وہ سرمایہ کاری فضا میں مناسب تسلسل پیدا کرے اور دنیا کی بہترین صنعتی پالیسی لائے اور ترغیبات فراہم کرے۔ سرمایہ کاری سہولت اور کاروبار کرنے میں آسانی سے تیز ترین سودوں کی انجام دہی میں سہولت ملے گی۔

جائزہ مدت کے دوران آپ کے ڈائریکٹران نے کمپنی کے مسائل حل کرنے کے لئے بہترین کاوشیں کیں اور انشاء اللہ کمپنی کے ڈائریکٹران آنے والی مدت میں کمپنی کی کارکردگی کا برقرار رکھیں گے۔

ڈائریکٹران بینکاروں، دوستوں، نیک خواہشات رکھنے والوں کے مسلسل تعاون پر ان کے لئے گہری ستائش ریکارڈ پر لانا چاہتے ہیں اور کمپنی کے عملہ کے ممبران کی انتھک محنت اور فرائض کی انجام دہی میں سرگرمی پر ان کے مشکور ہیں۔

منجانب اور برائے بورڈ


فخر الدین عثمانی
چیف ایگزیکٹو آفیسر


فخر الدین عثمانی
چیئر مین

کراچی 28 اکتوبر 2020

HAFIZ LIMITED

BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2020

ASSETS	30-Sep-20	30-Jun-20
	------(Rupees)-----	
Non-current assets		
Property, plant and equipment	6,922,797	4,894,106
Investment property	486,613,872	486,613,872
Long-term investments- quoted	1	1
	<u>493,536,670</u>	<u>491,507,979</u>
Current assets		
Short-term investments	8,022,765	4,987,745
Stores and spares	-	-
Trade debts	-	-
Trade deposits and advances	1,489,072	1,489,072
Taxation - Net	1,827,652	1,918,340
Cash and bank balances	4,656,755	6,120,438
	<u>15,996,244</u>	<u>14,515,595</u>
Net assets in Bangladesh	1	1
Total assets	<u>509,532,915</u>	<u>506,023,575</u>

EQUITIES AND LIABILITIES	30-Sep-20	30-Jun-20
	------(Rupees)-----	
Capital and Reserves		
Authorized		
2,000,000 (2020: 2,000,000) ordinary shares of Rs.10/- each	20,000,000	20,000,000
Issued, subscribed and paid-up		
1,200,000 (2020: 1,200,000) ordinary shares of Rs.10/- each	12,000,000	12,000,000
Reserves	484,815,120	483,996,813
	<u>496,815,120</u>	<u>495,996,813</u>
Non Current Liabilities		
Deferred liabilities	416,338	333,070
	<u>416,338</u>	<u>333,070</u>
Current Liabilities		
Trade and other payable	6,466,389	6,258,624
Unclaimed dividend	5,835,068	3,435,068
	<u>12,301,457</u>	<u>9,693,692</u>
Contingencies and commitments	-	-
Total equity and liabilities	<u>509,532,915</u>	<u>506,023,575</u>

Karachi
28th October, 2020


Muhammad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Qumaruddin Osmani
Director


HAFIZ LIMITED

PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

PARTICULARS	For the Three Months ended 30th September, 2020.	For the Three Months ended 30th September, 2019.
------(Rupees)-----		
Rental income	4,345,640	3,225,035
Administrative expenditure	(1,852,491)	(2,190,170)
Financial charges	(801)	(3,127)
	(1,853,292)	(2,193,297)
Other incomes	1,578,145	-
Profit before taxation	4,070,493	1,031,738
Taxation	(852,186)	(502,581)
Profit after taxation	3,218,307	529,157
Earnings per share - Basic and diluted	2.68	0.44

Karachi
28th October, 2020


Muhammad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Qumaruddin Osmani
Director

CASH FLOW STATEMENT (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

	30-Sep-20	30-Sep-19
	-----(<i>Rupees</i>)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,070,493	1,031,738
Depreciation	182,409	125,647
Provision for gratuity	83,268	2,978
Gain on revaluation of investments	(1,555,020)	-
Financial charges	801	3,127
	<u>(1,288,542)</u>	<u>131,752</u>
Operating profit before working capital changes	2,781,951	1,163,490
Movement in Working Capital		
(Increase)/decrease in Current Assets		
Trade debts	-	(1,304,000)
Loans and Advances	-	(39,728)
	<u>-</u>	<u>(1,343,728)</u>
Increase / (decrease) in Current Liabilities		
Trade and other payable	207,765	691,464
	<u>207,765</u>	<u>691,464</u>
Cash generated from operations	2,989,716	511,226
Payments for:		
Taxes	(761,498)	(616,166)
Financial charges	(801)	(3,127)
Net cash inflow from operating activities	<u>2,227,417</u>	<u>(108,067)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(2,211,100)	(208,427)
Investment in Shares	(1,480,000)	(600,000)
Net cash (outflow) from investing activities	<u>(3,691,100)</u>	<u>(808,427)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	(3,047)
Net cash (outflow) from financing activities	<u>-</u>	<u>(3,047)</u>
Net increase in cash and bank balances	(1,463,683)	(919,541)
Cash and bank balances at beginning of the year	6,120,438	4,658,985
Cash and bank balances at end of the year	<u>4,656,755</u>	<u>3,739,444</u>

Karachi
28th October, 2020


Muhammad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Kumaruddin Osmani
Director

HAFIZ LIMITED

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

Share Capital	Reserves				Total equity
	Un-appropriated (loss)	Interest Free Loan from Directors	Revaluation reserve for investment property	Gain on revaluation of investment at fair value through other comprehensive income	

Balance as at July 01, 2019.	12,000,000	36,969,357	56,634,905	371,752,394	(240,251)	477,116,405
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Net profit after tax for THREE months ended (July, 2019 to September, 2019).		529,157			-	529,157
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Final dividend for the year ended June 30, 2019 @ Rs.1.50 per share i.e. 15%.	-	(1,800,000)	-		-	(1,800,000)
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Balance as at September 30, 2019.	12,000,000	35,698,514	56,634,905	371,752,394	(240,251)	475,845,562
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Net profit after tax for NINE months ended (October, 2019 to June, 2020).	-	20,253,401	-	-	(102,150)	20,151,251
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Balance as at June 30, 2020.	12,000,000	55,951,915	56,634,905	371,752,394	(342,401)	495,996,813
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Balance as at July 01, 2020.	12,000,000	55,951,915	56,634,905	371,752,394	(342,401)	495,996,813
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Net profit after tax for THREE months ended (July, 2020 to September, 2020).		1,663,287			1,555,020	3,218,307
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Final dividend for the year ended June 30, 2020 @ Rs.2/- per share i.e. 20%.	-	(2,400,000)	-			(2,400,000)
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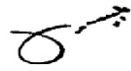
Balance as at September 30, 2020.	12,000,000	55,215,202	56,634,905	371,752,394	1,212,619	496,815,120
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Muhammad Shahid Siddiqui
CFO



Fakhruddin Usmani
CEO



Kumaruddin Osmani
Director

Karachi
28th October, 2020

**NOTES ANNEXED TO THE FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020**

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, 2020.
- 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, 2020 (June 30, 2020: Nil).

5 General

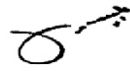
- 5.1 These Financial Statements were authorized for issue by the Board of Directors of the Company on 28th Oct., 2020.
- 5.2 Figures have been rounded off to the nearest rupee.



Muhammad Shahid Siddiqui
CFO



Fakhruddin Usmani
CEO



Kumaruddin Osmani
Director

Karachi
28th October, 2020

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.

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 TEXTILE MILLS LIMITED

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