

**HALF YEARLY  
FINANCIAL  
STATEMENTS  
31ST DECEMBER 2020**



**HAFIZ LIMITED**

## COMPANY INFORMATON

<b>Board of Directors</b>	:	<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**

<b>Chairman</b>	:	<i>Quamruddin Osmani</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 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, 2<sup>nd</sup> Floor,*  
*Moolji Street, Mereweather Tower,*  
*Karachi-74000.*

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

**Webside** : *www.hafiztm.com*

## MID YEAR REVIEW

The Directors of your company are pleased to present their Half Yearly Un-Audited Accounts for the half year ended December 31, 2020. The accounts have been reviewed by the auditors of the company M/s. MAZARS M.F. & Co., (Chartered Accountant).

Currently, due to the COVID-19 outbreak and lockdowns, many MSMEs (Micro, Small, and Medium Enterprises) have been severely affected. Consequently, these businesses are facing a variety of issues such as financial (67.93%), supply chain disruption (47.83%), decrease in demand (44.02%), reduction in sales and profit (38.04%, 41.85% respectively). Moreover, three-fourths of firms expect a decline in sales by more than 60%, while over two-thirds of participating enterprises are expecting a decline in profits by more than 60% during 2020.

Furthermore, in order to tackle with the current situation and cover cash flow shortages, many firms are adopting a variety of strategies such as apply for a loan (18%), shut down the business completely and partially to reduce costs (31% and 19% respectively), lay off employees (43%) and reduce staff salary (12%) among others.

In addition, more than two-thirds of participating enterprises reported that they could not survive if the lockdown lasts more than 2 months. Further, 72% of participating enterprises believe that it will take less than 1 month to get back to normal from the date lockdown and outbreak ends. Consequently, MSMEs operating in Pakistan will experience a challenging time at least during 2021.

Your management is striving hard to overcome 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 appreciation for continuous supports by 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:  
25th February, 2021

## ڈائریکٹران کا جائزہ

آپ کی کمپنی کے ڈائریکٹران ششماہی غیر آڈٹ شدہ گوشوارے برائے ششماہی مدت ختمہ 31 دسمبر 2020 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔ ان گوشواروں پر نظر ثانی کمپنی کے آڈیٹر زیمسز مزارس ایم ایف اینڈ کو (چارٹرڈ اکاؤنٹ) نے کی ہے۔

اس وقت COVID-19 کی وباء اور لاک ڈاؤن کی وجہ سے کئی MSMEs (مانیکرو، چھوٹے اور درمیانی کاروباری ادارے) شدید متاثر ہوئے ہیں۔ جس کے نتیجے میں کاروباروں کو کئی ایک مسائل کا سامنا ہے جن میں مالیاتی (67.93 فیصد)، رسدی زنجیر میں رکاوٹ (47.83 فیصد)، طلب میں کمی (44.02 فیصد)، فروخت اور منافع میں کمی (بالتربیب 30.84 فیصد، 41.85 فیصد) شامل ہیں۔ مزید برآں، تین چوتھائی اداروں کو فروخت میں 60 فیصد سے زیادہ کمی کی توقع ہے جبکہ دو تہائی کاروباری ادارے سال 2020 کے دوران 60 فیصد سے زیادہ منافع کی توقع کر رہے ہیں۔


مزید برآں، موجودہ صورتحال پر قابو پانے اور نقدی کے بہاؤ کا احاطہ کرنے کے لئے کئی اداروں نے مختلف قسم کی حکمت عملیاں اپنائی ہیں جیسے کہ دیگر کے علاوہ قرضوں کے لئے درخواست (18 فیصد)، کاروبار کی مکمل طور پر بندش اور جزوی طور پر لاگوں میں کمی، ملازمت سے فراغت (43 فیصد) اور ملازمین کی تنخواہوں میں کمی وغیرہ شامل ہیں۔


اس کے علاوہ، شرکت کرنے والے دو تہائی کاروباری اداروں نے بتایا کہ اگر لاک ڈاؤن مزید دو مہینے جاری رہا تو وہ اپنے کاروبار کو نہیں بچا پائیں گے۔ مزید شرکت کرنے والے 72 فیصد کاروباری اداروں کو یقین ہے کہ لاک ڈاؤن کی تاریخ اور وباء کے خاتمے میں حالات عمومی ہونے میں کم از کم 12 ماہ لگیں گے۔ جس کے نتیجے میں پاکستان میں MSMEs کو کم از کم 2021 کے دوران دشواریوں کا سامنا پڑے گا۔

آپ کی انتظامیہ کمپنی کے مسائل پر قابو پانے کے لئے جدوجہد کر رہی ہے اور کمپنی کے ڈائریکٹران انشاء اللہ آنے والی مدت میں کمپنی کی کارکردگی کو برقرار رکھنے کی کوشش کریں گے۔

دوستوں، خیر خواہوں کے مسلسل تعاون پر ڈائریکٹران اپنی مخلصانہ سائنس ریکارڈ پر لانا چاہتے ہیں اور کمپنی کے ملازمین کی انتھک محنت اور فرائض کی ادائیگی پر ان کے مشکور ہیں۔

منجانب اور برائے بورڈ

  
فخر الدین عثمانی  
چیف ایگزیکٹو آفیسر

  
فخر الدین عثمانی  
چیئر مین

کراچی 25 فروری 2021

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

### **To the members of Hafiz Limited Report on Review of Interim Financial Statements**

#### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of Hafiz Limited (the "Company") as at December 31, 2020 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figure of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

#### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Urooj Nesar.

**Mazars M.F & Co.**  
Chartered Accountants

Place: Karachi  
Date: 25th February, 2021.


# HAFIZ LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT DECEMBER 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	----- Rupees -----	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	6,774,925	4,894,106
Investment property		486,613,872	486,613,872
Long term investments		1	1
		493,388,798	491,507,979
<b>CURRENT ASSETS</b>			
Short term investments	6	10,787,330	4,987,745
Trade deposits and advances		1,524,072	1,489,072
Taxation - net		1,682,343	1,918,340
Bank balances - current account		4,463,041	6,120,438
		18,456,786	14,515,595
Net assets in Bangladesh		1	1
<b>TOTAL ASSETS</b>		<u>511,845,585</u>	<u>506,023,575</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized Capital:</b>			
2,000,000 (June 30, 2020: 2,000,000) Ordinary			
Shares of Rs. 10/- each		<u>20,000,000</u>	<u>20,000,000</u>
<b>Issued, subscribed and paid up capital:</b>			
1,200,000 (June 30, 2020: 1,200,000) Ordinary			
Shares of Rs. 10/- each		12,000,000	12,000,000
Reserves		489,050,056	483,996,813
		501,050,056	495,996,813
<b>NON-CURRENT LIABILITY</b>			
Deferred liability - Gratuity		337,943	333,070
<b>CURRENT LIABILITIES</b>			
Trade and other payables		6,574,143	6,258,624
Unclaimed dividend		3,883,443	3,435,068
		10,457,586	9,693,692
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>511,845,585</u>	<u>506,023,575</u>

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

Karachi  
25th February, 2021.

  
Muhammad Shahid Siddiqui  
CFO

  
Fakhruddin Usmani  
CEO

  
Quamruddin Osmani  
Director

## HAFIZ LIMITED

### **CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Note	For the quarter ended December 31, 2020		For the half year ended December 31, 2020	
		December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020
		----- Rupees -----			
Rental income		5,473,191	2,913,720	9,818,831	6,138,755
Administrative expenses		1,621,639	1,427,362	3,474,130	3,617,532
Financial charges		10,566	10,001	11,367	13,128
		1,632,205	1,437,363	3,485,497	3,630,660
Other income	8	1,470,690	715,063	3,048,835	715,063
Other charges		-	241,417	-	241,417
Profit before taxation		5,311,676	1,950,003	9,382,169	2,981,741
Taxation	9	(1,076,740)	(622,343)	(1,928,926)	(1,124,924)
Net profit after taxation		4,234,936	1,327,660	7,453,243	1,856,817
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the year		4,234,936	1,327,660	7,453,243	1,856,817
Earnings per share - Basic and diluted		3.53	1.11	6.21	1.55

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

Karachi  
25th February, 2021.

  
**Muhammad Shahid Siddiqui**  
CFO

  
**Fakhruddin Usmani**  
CEO

  
**Qamruddin Osmani**  
Director

## HAFIZ LIMITED

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

**FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

Share Capital	Unappropriated Profit	Interest free loan from Directors	Fair value reserve for investment property	Unrealized gain / (loss) on remeasurement of FVOCI investments	Total Reserves	Total Equity
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----- Rupees -----

Balance as at July 01, 2019	12,000,000	36,969,357	56,634,905	371,752,394	(240,251)	465,116,405	477,116,405
Total comprehensive income for the period	-	1,154,504	-	-	702,313	1,856,817	1,856,817
Final dividend for the year ended June 30, 2019 @ Rs. 1.50 per share i.e. 15%	-	(1,800,000)	-	-	-	(1,800,000)	(1,800,000)

Balance as at December 31, 2019	12,000,000	36,323,861	56,634,905	371,752,394	462,062	465,173,222	477,173,222
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Balance as at July 01, 2020	12,000,000	55,951,915	56,634,905	371,752,394	(342,401)	483,996,813	495,996,813
Total comprehensive income for the period	-	7,453,243	-	-	-	7,453,243	7,453,243

Final dividend for the year ended June 30, 2020 @ Rs.2/- per share i.e. 20%.	-	(2,400,000)	-	-	-	(2,400,000)	(2,400,000)
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Balance as at December 31, 2020	12,000,000	61,005,158	56,634,905	371,752,394	(342,401)	489,050,056	501,050,056
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The annexed notes form an integral part of these condensed interim financial information.

Karachi  
25th February, 2021.

  
**Muhammad Shahid Siddiqui**  
CFO

  
**Fakhruddin Usmani**  
CEO

  
**Qamruddin Osmani**  
Director



## HAFIZ LIMITED

### **CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)** **FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	December 31, 2020	December 31, 2019
	----- Rupees -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,382,169	2,279,428
Depreciation	330,281	269,147
Provision for gratuity	4,873	5,957
Financial charges	11,367	13,128
	346,521	288,232
Operating profit before working capital changes	9,728,690	2,567,660
<b>(Increase) /decrease in current assets</b>		
Trade debts	-	(129,600)
Loans and advances	-	(39,728)
	-	(169,328)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payable	(229,741)	451,086
Cash generated from operations	9,498,949	2,849,418
<b>Payment for:</b>		
Taxes	(1,182,669)	(1,117,639)
Financial charges	(11,367)	(13,128)
Net cash inflow from operating activities	8,304,913	1,718,651
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(2,211,100)	(1,098,484)
Purchase of short term investment	(5,799,585)	(1,012,997)
Net cash used in investing activities	(8,010,685)	(2,111,481)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(1,951,625)	(1,421,335)
Net increase in cash at bank balances	(1,657,397)	(1,814,165)
Cash at bank balances at beginning of the period	6,120,438	4,658,985
Cash at bank balances at end of the period	4,463,041	2,844,820

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

Karachi  
25th February, 2021.

  
**Muhammad Shahid Siddiqui**  
CFO

  
**Fakhruddin Usmani**  
CEO

  
**Quamruddin Osmani**  
Director

# NOTES ANNEXED TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

## FOR THE HALF YEAR ENDED DECEMBER 31, 2020

### 1 STATUS AND NATURE OF BUSINESS

Hafiz Limited ("the Company") is a Public Limited Company incorporated in 1951 under the repealed Companies Ordinance, 1984. The shares of the Company are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi. 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 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

-International Accounting Standards (IAS 34), *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified by the Companies Act, 2017; and

-Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 3 BASIS OF PREPARATION

3.1 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2020. These condensed interim financial statements are unaudited, however have been subject to limited scope review by the auditors, and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

3.2 The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2020 and December 31, 2019.

#### 3.3 Initial application of standards, amendments or an interpretation to existing standards

**Standards, amendments and interpretations to accounting and reporting standards that became effective during the period**

a) The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and framework for financial reporting which became effective for the current period:

IFRS 3 - Definition of a Business (Amendments);

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments); and

IAS 28 - 'Long-term Interests in Associates and Joint Ventures'

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The adoption of the above standards, amendments and interpretations to accounting standards did not have any material effect on these condensed interim financial statements.

# HAFIZ LIMITED

## 3.4 Accounting estimates and judgments

The preparation of these condensed interim financial statements, in conformity with the approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates.

During the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the annual audited financial statements of the Company for the year ended June 30, 2020.

3.5 These condensed interim financial statements are presented in Pakistan Rupee which is also the Company's functional currency.

## 4 SIGNIFICANT ACCOUNTING POLICIES

Accounting policies adopted for the preparation of these half yearly condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2020.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
		-----Rupees-----	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>	<b>Note</b>		
Operating fixed assets	5.1	6,774,925	4,894,106
Capital work in progress - Civil works		-	-
		<u>6,774,925</u>	<u>4,894,106</u>
<b>5.1 Movement in operating fixed assets:</b>			
Opening - at net book value		4,894,106	3,445,369
Add: Additions during the period	5.1.1	2,211,100	2,530,652
		7,105,206	5,976,021
Less: Depreciation charged during the period		(330,281)	(677,937)
Less: Disposals during the period - at net book value		-	(403,978)
		<u>(330,281)</u>	<u>(1,081,915)</u>
Closing - at net book value		<u>6,774,925</u>	<u>4,894,106</u>
<b>5.1.1 Additions during the period</b>			
Office equipment		127,330	208,425
Plant and machinery		-	890,650
Electrical fittings		-	502,733
Furniture and fixtures		-	928,844
Vehicles		2,083,770	-
		<u>2,211,100</u>	<u>2,530,652</u>
<b>6 SHORT-TERM INVESTMENTS</b>			
<b>Quoted - at fair value through profit or loss</b>			
<i>Attock Cement Pakistan Limited</i>			
5,500 (2020: 5,500) ordinary shares of Rs. 10/- each		-	685,465
<i>Amtex Limited</i>			
25,000 (2020: 25,000) ordinary shares of Rs. 10/- each		-	14,000
<i>Aisha Steels Mill Limited</i>			
10,000 (2020: 10,000) ordinary shares of Rs. 10/- each		-	92,100
<i>Avanceon Limited</i>			
11,000 (2020: 11,000) ordinary shares of Rs. 10/- each		-	388,960
<i>Amreli Steel Limited</i>			
5,000 (2020: 5,000) ordinary shares of Rs. 10/- each		-	163,200

## HAFIZ LIMITED

<i>Byco Petroleum Pakistan Limited</i>		
10,000 (2020: Nil) ordinary shares of Rs. 10/- each	88,500	-
<i>Colony Textile Mills Limited</i>		
110,000 (2020: 23,000) ordinary shares of Rs. 10/- each	588,500	92,000
<i>Dost Steels Limited</i>		
25,000 (2020: 67,000) ordinary shares of Rs. 10/- each	122,750	204,350
<i>Engro Powergen Qadirpur Limited</i>		
20,000 (2020: Nil) ordinary shares of Rs. 10/- each	398,000	-
<i>Fauji Cement Company Limited</i>		
28,000 (2020: 28,000) ordinary shares of Rs. 10/- each	-	472,640
<i>Ittefaq Iron Industries Limited</i>		
10,000 (2020: 10,000) ordinary shares of Rs. 10/- each	-	69,100
<i>K-Electric Limited</i>		
785,000 (2020: 275,000) ordinary shares of Rs. 10/- each	3,069,350	827,750
<i>Kohinoor Spinning Mills Limited</i>		
115,000 (2020: Nil) ordinary shares of Rs. 10/- each	454,250	-
<i>Lalpir Power Limited</i>		
7,000 (2020: Nil) ordinary shares of Rs. 10/- each	89,740	-
<i>Lotte Chemical Pakistan Limited</i>		
10,000 (2020: 10,000) ordinary shares of Rs. 10/- each	150,600	99,500
<i>Pervez Ahmed Consultancy Services Limited</i>		
100,000 (2020: 100,000) ordinary shares of Rs. 10/- each	-	73,000
<i>Power Cement Limited</i>		
93,000 (2020: 25,000) ordinary shares of Rs. 10/- each	918,840	155,000
<i>Pakistan International Bulk Terminal Limited</i>		
10,000 (2020: Nil) ordinary shares of Rs. 10/- each	128,600	-
<i>Sindh Modaraba Limited</i>		
35,000 (2020: Nil) ordinary shares of Rs. 10/- each	304,500	-
<i>Telecard Limited</i>		
700,000 (2020: 319,000) ordinary shares of Rs. 10/- each	1,806,000	389,180
<i>TPL Corp Limited</i>		
30,000 (2020: Nil) ordinary shares of Rs. 10/- each	227,700	-
<i>Worldcall Telecom Limited</i>		
1,450,000 (2020: 1,450,000) ordinary shares of Rs. 10/- each	2,440,000	1,261,500
	<u>10,787,330</u>	<u>4,987,745</u>

### 7 CONTINGENCIES AND COMMITMENTS

#### 7.1 Contingencies

There is no significant change in the status of contingencies as disclosed in note 18.1 to the annual audited financial statements of the Company for the year ended June 30, 2020.

# HAFIZ LIMITED

## 7.2 Commitments

There were no commitments outstanding as at December 31, 2020 (June 30, 2020: Nil).

	Note	(Un-audited) December 31, 2020	(Un-audited) December 31, 2019
-----Rupees-----			
<b>8 OTHER INCOME</b>			
Dividend		79,250	12,750
Gain on sale of short term investments		1,419,714	-
Gain on revaluation of investments		1,549,871	702,313
		<u>3,048,835</u>	<u>715,063</u>
<b>9 TAXATION</b>			
Current		2,097,170	1,041,619
Prior		(381,201)	83,305
		<u>1,715,969</u>	<u>1,124,924</u>

9.1 Deferred tax asset amounting to Rs. 0.773 million (June 2020: Rs. 3.434 million) mainly arising on unused tax losses has not been recognized in these condensed interim financial statements in accordance with the Company's accounting policy.

## 10 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2020. There have been no change in any risk management policies since the year end.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement dates. The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values. The Company analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

As at December 31, 2020, all of the Company's financial instruments are carried at fair value using level 1 technique (quoted price).

## 11 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated undertakings, directors and key management personnel of the Company.

Details of transactions with related parties during the period other than those disclosed elsewhere in the financial statements are as follows:

Name of the related party and relationship with the Company	Nature of Transactions	(Un-audited)	(Un-audited)
		December 31, 2020	December 31, 2019
		-----Rupees-----	
Chief Executive	Managerial remuneration	150,000	150,000
	Utilities	87,500	87,500
Director	Managerial remuneration	90,000	90,000
	Utilities	146,425	146,425
<b>Retirement benefit fund</b>			
Gratuity	Charge for the period	4,873	5,957

## 12 AUTHORIZATION

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company on 25th February, 2021.

## 13 GENERAL

Figures have been rounded off of the nearest rupee.

Karachi  
25th Feb., 2021.

  
**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. 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

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, Moolji Street, Mereweather Tower, Karachi-74000