

71st Annual Report 2022



**HAFIZ LIMITED**

# Company Information 2022

<b>Board of Directors</b>	:	Muhammad Farooq Usmani	Chairman & Director
	:	Fakhruddin Usmani	CEO & Executive Director
	:	Quamruddin Osmani	Executive Director
	:	Mahmood Wali Muhammad	Non-Executive Director
	:	Huma Javaid	Independent Director
	:	Kamran Ahmed	Independent Director
	:	Muhammad Shahzad Fakhir	Non-Executive Director

## **Board of Audit Committee**

<b>Chairman</b>	:	Kamran Ahmed
<b>Members</b>	:	Muhammad Farooq Usmani Mahmood Wali Muhammad

## **Board of Human Resource Committee**

<b>Chairman</b>	:	Fakhruddin Usmani
<b>Members</b>	:	Quamruddin Osmani Huma Javaid

<b>Chief Financial Officer</b>	:	Muhammad Shahid Siddiqui
<b>Company Secretary</b>	:	Ali Muhammad Usmani
<b>Bankers</b>	:	Habib Metropolitan Bank Ltd. HBL Bank Limited MIB Bank Limited National Bank of Pakistan

<b>Auditors</b>	:	MAZARS M.F. & Co. Chartered Accountants, Karachi.
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<b>Shares Registrar</b>	:	F.D. Registrar Service (SMC-Pvt) Ltd. 170-5, 17th Floor, Saima Trade Tower-A I. I. Chundrigar Road, Karachi-74000
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<b>Registered Office</b>	:	97, Alliance Building, 2 <sup>nd</sup> Floor, Moolji Street, Mereweather Tower, Karachi-74000.
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<b>Mill at</b>	:	D-9, S.I.T.E., Karachi.
<b>Webside</b>	:	<a href="http://www.hafiztm.com">www.hafiztm.com</a>
<b>Email</b>	:	<a href="mailto:htm1951@hotmail.com">htm1951@hotmail.com</a>

## VISION AND MISSION STATEMENT

*While keeping our fundamentals correct we shall build upon our recognition as a very good company known and established for our principled and honest business practices and continue to strive for high standards of quality to regain the reputation earned duly in last Seventy One years.*

*We are committed to the higher expectations of our customers and through optimum utilization of available resources, make the Company viable and profitable so as to generate adequate profit to make reasonable returns on shareholders equity.*

## CONTENTS

Company Information	1
Vision & Mission Statement	2
Notice of Meeting	3-4
Chairman Review Report	5-6
Directors Report	7-10
Key Operating and Financial Results	11
Statement of Compliance with Code of Corporate Governance	12-13
Independent Auditors' Review Report	14
Independent Auditors' Report	15-17
Statement of Financial Position	18
Statement of Profit or Loss	19
Statement of Comprehensive Income	20
Statement of Change in Equity	21
Statement of Cash Flows	22
Notes to the Accounts	23-44
Pattern of Shareholding	45
Dividend Mandate Form	46
Form of Proxy	47



## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the **71st Annual General Meeting** of shareholders of the **HAFIZ LIMITED** will be held **Insha-Allah on Thursday, 27th October, 2022 at 2:30 p.m.** at the Registered Office of the Company, 97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi for the following purposes:

1. To confirm the Minutes of last Annual General Meeting held on 28th October, 2021.
2. To receive, consider and adopt the Annual Audited Accounts of the company for the year ended 30th June, 2022 together with the Directors' and Auditors' reports thereon.
3. To approve as recommended by the directors, the payment of Cash Dividend @ 20% Rs.2/- per share for the year ended 30th June, 2022.
4. To appoint Auditors for the year ending 30th June, 2023 and to fix their remuneration.
5. To transact any other business of the Company with the permission of the Chair.

By order of the Board  
**Ali Muhammad Usmani**  
Company Secretary

Karachi: 6th October, 2022.

### **Notes:**

#### **1- Closure of Share Transfer Books:**

The Share Transfer Books of the Company will remain closed from October 22, 2022 to October 29, 2022 (both days inclusive). Transfer received in order at our Share Registrar/Transfer agent, M/s. F.D. Registrar Services (Pvt) Ltd. 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000, at the close of business on October 21, 2022 will be considered in time for the purpose of above entitlement to the transferees.

#### **2- Participation in the Annual General Meeting:**

- i) A member, who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her participant's ID number and CDC account/sub-account number along with original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.
- ii) A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/ her proxy to attend, speak and vote instead of him/her.
- iii) Form of proxy, in order to be valid must be properly filled-in/executed and received at the registered office of the Company situated at 97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi not later than 48 hours before the time of the meeting.

#### **3- Payment of Cash Dividend Electronically (E-Dividend Mechanism):**

As per provision of Section 242 of Companies Act, 2017 any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders and SECP vide S.R.O.1145(I)/2017 (as amended) directed all shareholders to provide their valid International Bank Account Numbers (IBAN) to receive cash dividend electronically. The shareholders are hereby advised to provide details of their bank mandate specifying: (i) Title of Account, (ii) IBAN, (iii) Bank Name, (iv) Branch Name and Address to the Company's Share Registrar, shareholders who hold shares with Participants/CDC are advised to provide the mandate to the concerned Broker /Participant /CDC Investor account services.

#### **4- Change in Address**

Members holding shares in physical form are requested to promptly notify Share Registrar of the Company of any change in their addresses. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.

#### **5- Submission of Copies of CNIC (Mandatory):**

Pursuant to the Notification SRO.275(I)/2016 dated March 31, 2016 read with S.R.O.19(I)/2014 dated January 10, 2014 and SRO.831(I)/2012 dated July 5, 2012 of the Securities & Exchange Commission of Pakistan (SECP), Dividend Warrant(s) shall mandatorily bear the Computerized National Identity Card (CNIC) numbers of shareholders. Shareholders are therefore requested to fulfill the statutory requirements and submit a copy of their CNIC or NTN in case of corporate entities (if not already provided) to the Company's Share Registrar.

In case of non-availability of a valid copy of the Shareholders' CNIC in the records of the Company, the Company shall be



constrained to withhold the Dividend Warrants, which will be released by the Share Registrar only upon submission of a valid copy of the CNIC in compliance with the aforesaid SECP directives.

## 6- Withholding Tax on Dividend:

Government of Pakistan through Finance Act, 2019, has made certain amendments in withholding tax provision by substituting the definition of "Filers" with "Active Taxpayer List" (ATL), whereby the company is required to collect tax on dividend under Section 150 of the Income Tax Ordinance, 2001 from the person not appearing in the ATL at the rates specified in the Ordinance as increased by 100%. These tax rates are as under:

**(a) For persons appearing in Active Taxpayer List 15%. (b) For persons not appearing in Active Taxpayer List 30%.**

Shareholders who are filers, are advised to make sure that their names are entered into latest ATL provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as person not appearing in ATL and tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

### For Joint Shareholders:

For shareholders holding their shares jointly as per the clarification issued by the Federal Board of Revenue, withholding tax will be determined separately as per status of their names appearing in the ATL for principal shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar in writing as follows:

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach our Shares Registrar within 10 days of this notice; otherwise, it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or Registrar of company. Shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers. Without the NTN company would not be in a position to check filer status on the ATL and hence higher tax of 30% may be applied in such cases.

## 7- Transmission of Audited Financial Statements / Notices Through E-mail:

As notified by the SECP vide SRO.787(I)/2014 dated September 8, 2014, all listed companies are allowed to circulate audited financial statements along with notice of annual general meetings to its shareholders through their e-mail addresses subject to written consent of the shareholders.

Shareholders of the company who wish to receive audited financial statements, notice of general meetings and other financial reports through e-mail are requested to fill the required information on the form is as under:

Name of Shareholder	Folio / CDC Account Number	Email Address (requested to notify immediately for any change)	Contact Number.	CNIC Number (Attach visible & valid copy)	Signature of the Shareholder

The above duly filled form may please be send to Share Registrar of the Company.

## 8- Deposit of Physical shares into CDC Account

The shareholders having shares in physical form are advised to open CDC sub-account with any of the brokers or Investor Account directly with the CDC, to place their shares in scrip-less form, this will facilitate them in many ways including safe custody and sale of shares at any time they want, as the trading of physical shares is not permitted as per existing regulations of Pakistan Stock Exchange Limited.

Further, Section 72 of the Act states that after the commencement of this Act from a date notified by the Commission, a company having share capital, shall have shares in book-entry form only. Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act.



## REVIEW REPORT BY THE CHAIRMAN

It gives me pleasure to present this review report to the stakeholders of **Hafiz Limited** (the “Company”) on the overall performance of the Board of Directors (the “Board”) and its effectiveness in achieving the objectives of the Company.

During the year, HAFL has an effective governance framework in place which complies with the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedures and meetings of the Board and its committees. The annual evaluation of the Board has been carried out under the Code of Corporate Governance to ensure that the Board's overall performance is in line with the developed comprehensive criteria.

During the year under review, the Board has played an effective role in managing the affairs of the Company depicting successful operational & financial performance. The Board has developed a mechanism of regular assessment of the Company's objectives, strategies and business & financial performance by timely interacting with the management. The management is responsible for carrying out day-to-day business activities and transforming the Board's strategies into actions. Particularly in the unprecedented situation of COVID-19 outbreak.

The Board shall continue to play a vital role in setting the course of the Company, promoting its success and performance and guiding the management to conduct operations in conformity with the strategies approved by the Board while upholding the principles of good corporate governance.

On behalf of our company, I wish to acknowledge the contribution of the management, all our employees, and our valued shareholders, for their confidence, continued support and commitment to the Company.

Muhammad Farooq Usmani  
Chairman

Karachi:  
6<sup>th</sup> October, 2022.

## چیئر مین کی جانب سے جائزہ رپورٹ

بورڈ آف ڈائریکٹرز ("بورڈ") کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں اس کی تاثیر کے بارے میں حافظ لمیٹڈ ("کمپنی") کے اسٹیک ہولڈرز کو یہ جائزہ رپورٹ پیش کرتے ہوئے مجھے خوشی ہو رہی ہے۔

سال کے دوران، ایچ اے ایف ایل کے پاس ایک مؤثر گورننس فریم ورک موجود ہے جو بورڈ اور اس کی کمیٹیوں کی ساخت، طریقہ کار اور اجلاسوں کے سلسلے میں کمپنیز ایکٹ، ۲۰۱۷ اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ میں مقرر کردہ ضروریات کی تعمیل کرتا ہے۔ بورڈ کی سالانہ تشخیص کوڈ آف کارپوریٹ گورننس کے تحت کی گئی ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ بورڈ کی مجموعی کارکردگی تیار کردہ جامع معیار کے مطابق ہے۔

زیر نظر سال کے دوران، بورڈ نے کامیاب آپریشنل اور مالی کارکردگی کی عکاسی کرتے ہوئے کمپنی کے معاملات کے انتظام میں ایک مؤثر کردار ادا کیا ہے۔ بورڈ نے انتظامیہ کے ساتھ بروقت بات چیت کرتے ہوئے کمپنی کے مقاصد، حکمت عملیوں اور کاروباری اور مالی کارکردگی کی باقاعدگی سے تشخیص کا ایک طریقہ کار تیار کیا ہے۔ انتظامیہ روزمرہ کی کاروباری سرگرمیوں کو انجام دینے اور بورڈ کی حکمت عملی کو کارروائیوں میں تبدیل کرنے کی ذمہ دار ہے۔ خاص طور پر کوویڈ ۱۹ پھیلنے کی غیر معمولی صورتحال میں۔

بورڈ کمپنی کی راہ متعین کرنے، اس کی کامیابی اور کارکردگی کو فروغ دینے اور اچھی کارپوریٹ گورننس کے اصولوں کو برقرار رکھتے ہوئے بورڈ کی منظور کردہ حکمت عملی کے مطابق آپریشنز کرنے کے لئے انتظامیہ کی رہنمائی کرنے میں اہم کردار ادا کرتا رہے گا۔

ہماری کمپنی کی طرف سے، میں انتظامیہ، ہمارے تمام ملازمین، اور ہمارے قابل قدر حصص یافتگان کی شراکت کو تسلیم کرنا چاہتا ہوں، ان کے اعتماد، مسلسل حمایت اور کمپنی کے لئے عزم کے لئے۔



محمد فاروق عثمانی

چیئر مین

کراچی:

۱۶ اکتوبر ۲۰۲۲





## Directors Report

To start with the name of Almighty Allah - the most Gracious, and Merciful, and blessing upon our beloved Prophet Peace be upon him.

The Board of Director of your company are pleasure to present the 71st Annual Report together with the audited financial statements of your company and auditor's report thereon for the year ended June 30, 2022.

<b>Operating Results</b>	<b>2022</b>	<b>2021</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<i>Net profit before taxation</i>	14,545,329	40,127,972
<i>Taxation</i>	2,432,403	6,828,806
<i>Net profit after taxation</i>	12,112,926	33,299,166
<b>Appropriation:</b>		
<i>Proposed Final Dividend 20% (2021:20%)</i>	2,400,000	2,400,000
<i>Transfer to reserves</i>	9,712,926	30,899,166
<i>Earnings per share</i>	10.09	27.75

### Review:

The year 2022, get some sigh of relief from COVID-19, as some restoration of business activities was about to restore all over the world. The company then realized that as restoration of business after almost 2 years, would face some challenges. Your company in an anticipated move during COVID-19 and did not take any further risk during grieved period of COVID-19.

The company has made some decision to make some investment in property, in an effort to consider business and revenue expansion as and soon the economic environment will be feasible. Apart from this, company also considered to meet some government delegates to mutually decide on business parameters. But in last quarter of financial year 2022, there was some political changes, where uncertainty started to grow, with Pak Rupee value continuously declined, along with international economic and commodities volatility, your company management as with cautious measures, secure itself to further take any business expansion, and just focused on to stabilize current revenue parameters.

The uncertainty and volatility not only in Pakistan, but all over the world, your company is by the grace of Almighty Allah make it stable, as fortunately, your company is totally on equity financing.

### Future Outlook:

As the uncertain economic environment, it seems upcoming period will also face some volatile scenario, but as your company is trying to make itself stable, so, any positive turnaround of economic parameters will allow company to take any viable decision for expansion and ultimately to entertain its respected shareholders via good dividend.

As your company is trying to be in coordination with some international delegates, and local authorities to discuss the feasible options, like to Import/Export, Information Technology, but the matter is under mutual discussion, and waiting for feasible economic and political scenario.

### Dividend:

The Board of Director of your company has announced the final dividend of 20% i.e., Rs.2/- per share for the year ended June 2022 to the shareholders of the company.

### Auditors:

The present auditors M/s. Mazars M.F. & Co., Chartered Accountants retire and offer themselves for re-appointment. As suggested by the audit committee, the Board recommends their appointment as Auditors for the Company for the year ended June 30, 2023.

### Pattern of Shareholding:

The detailed pattern of shareholding as required by the Companies Act, 2017 and the statement of compliance with code of





corporate governance 2019 is enclosed.

## Number of Board Meetings:

The statement showing the attendance of Directors in BOD meetings is as under:

Serial Number	Name of Directors	Number of BOD Meetings			
		Held	Attended	Leave Granted	Resigned / Appointment
1	Mr. Fakhruddin Usmani	5	5	0	
2	Mr. Quamruddin Osmani	5	5	0	
3	Mr. Muhammad Farooq Usmani	5	5	0	
4	Mr. Mahmood Wali Muhammad	5	4	1	
5	Mrs. Huma Javaid	5	5	0	
6	Mr. Kamran Ahmed	5	5	0	
7	Mr. Muhammad Shazad Fakhir	5	5	0	

## Audit Committee, Human Resource Committees, Nomination Committee and Risk Management Committee:

The board in compliance with the code of corporate governance has constituted the following committees comprising of the following members:

Audit Committee		Human Resource Committee	
Mr. Kamran Ahmed	Chairman	Mr. Fakhruddin Usmani	Chairman
Mr. Muhammad Farooq Usmani	Member	Mr. Quamruddin Osmani	Member
Mr. Mahmood Wali Muhammad	Member	Mrs. Huma Javaid	Member
Nomination Committee		Risk Management Committee	
Mr. Mahmood Wali Muhammad	Chairman	Mr. Muhammad Shazad Fakhir	Chairman
Mr. Fakhruddin Usmani	Member	Mr. Fakhruddin Usmani	Member
Mr. Muhammad Shazad Fakhir	Member	Mr. Quamruddin Osmani	Member

During the year under review, the committees have performed its function satisfactory and in accordance with the code of corporate governance.

## Acknowledgment:

In the end, we pray Almighty Allah to guide us to select the project which is not only feasible, but also transparent in nature. We also thank our stakeholders for being with us, and we ensure that the name HAFIZ will never let your trust down.

FOR AND ON BEHALF OF THE BOARD.

**FakhruddinUsmani**  
Chief Executive Officer

Karachi:  
6th October, 2022.

## ڈائریکٹرز کی رپورٹ

سب سے پہلے اللہ تعالیٰ کے نام سے شروع کرتا ہوں ہمارے پیارے نبی صلی اللہ علیہ وآلہ وسلم پر سب سے زیادہ مہربان اور مہربان اور برکت ہے۔ آپ کی کمپنی کے بورڈ آف ڈائریکٹرز ۳۰ جون، ۲۰۲۲ کو ختم ہونے والے سال کے لئے آپ کی کمپنی کے آڈٹ شدہ مالی بیانات اور اس پر آڈیٹر کی رپورٹ کے ساتھ ۱۷ ویں سالانہ رپورٹ پیش کرنے پر خوشی محسوس کرتے ہیں۔

### آپریٹنگ نتائج

2021 ( روپے )	2022 ( روپے )	
40,127,972	14,545,329	ٹیکس سے پہلے خالص منافع
6,828,806	2,432,403	ٹیکس
33,299,166	12,112,926	ٹیکس کے بعد خالص منافع
2,400,000	2,400,000	تصرف:
30,899,166	9,712,926	مجوزہ حتمی منافع 20% (2021: 20%)
27.75	10.09	ذخائر میں منتقلی
		فی حصص آمدنی

### جانچ:

سال ۲۰۲۲ میں کوویڈ ۱۹ سے کچھ راحت کی سانس لیں، کیونکہ پوری دنیا میں کاروباری سرگرمیوں کی کچھ بحالی بحال ہونے والی تھی۔ اس کے بعد کمپنی کو احساس ہوا کہ تقریباً ۲ سال کے بعد کاروبار کی بحالی کے طور پر، کچھ چیلنجوں کا سامنا کرنا پڑے گا۔ آپ کی کمپنی کوویڈ ۱۹ کے دوران متوقع اقدام میں تھی اور کوویڈ ۱۹ کے غمزدہ عرصے کے دوران مزید کوئی خطرہ نہیں اٹھایا۔ کمپنی نے جائیداد میں کچھ سرمایہ کاری کرنے کے لئے کچھ فیصلہ کیا ہے، کاروبار اور آمدنی کی توسیع پر غور کرنے کی کوشش میں اور جلد ہی اقتصادی ماحول ممکن ہو جائے گا۔ اس کے علاوہ کمپنی نے کاروباری پیرامیٹرز پر باہمی طور پر فیصلہ کرنے کے لئے کچھ سرکاری مندرجہ ذیل سے ملنے پر بھی غور کیا۔ لیکن مالی سال ۲۰۲۲ کی آخری سہ ماہی میں کچھ سیاسی تبدیلیاں رونما ہوئیں، جہاں غیر یقینی صورتحال بڑھنے لگی، پاکستانی روپے کی قدر میں مسلسل کمی کے ساتھ ساتھ بین الاقوامی معاشی اور اجناس کے اتار چڑھاؤ کے ساتھ ساتھ آپ کی کمپنی انتظامیہ محتاط اقدامات کے ساتھ کچھ بھی کاروباری توسیع کو آگے بڑھانے کے لیے خود کو محفوظ رکھتی ہے، اور صرف موجودہ آمدنی کے پیرامیٹرز کو مستحکم کرنے پر توجہ مرکوز کرتی ہے۔ نہ صرف پاکستان بلکہ پوری دنیا میں غیر یقینی صورتحال اور اتار چڑھاؤ ہے، آپ کی کمپنی اللہ تعالیٰ کے فضل و کرم سے اسے مستحکم بناتی ہے، خوش قسمتی سے آپ کی کمپنی مکمل طور پر ایکوئیٹی فنانسنگ پر ہے۔

### مستقبل کا آؤٹ لک:

غیر یقینی معاشی ماحول کے طور پر، ایسا لگتا ہے کہ آنے والی مدت کو بھی کچھ غیر مستحکم منظر نامے کا سامنا کرنا پڑے گا، لیکن جیسا کہ آپ کی کمپنی خود کو مستحکم بنانے کی کوشش کر رہی ہے، لہذا، اقتصادی پیرامیٹرز کی کوئی بھی مثبت تبدیلی کمپنی کو توسیع کے لئے کسی بھی قابل عمل فیصلے کو لینے کی اجازت دے گی اور بالآخر اس کے معزز حصص یافتگان کو تفریح فراہم کرے گی۔ جیسا کہ آپ کی کمپنی کچھ بین الاقوامی مندرجہ ذیل، اور مقامی حکام کے ساتھ مل کر ممکنہ اختیارات پر تبادلہ خیال کرنے کی کوشش کر رہی ہے، جیسے درآمد / برآمد، انفارمیشن ٹیکنالوجی، لیکن یہ معاملہ باہمی بحث کے تحت ہے، اور قابل عمل اقتصادی اور سیاسی منظر نامے کا انتظار کر رہا ہے۔

### منافع:

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے جون ۲۰۲۲ کو ختم ہونے والے سال کے لئے کمپنی کے حصص یافتگان کو ۲۰ فیصد یعنی -/2 روپے فی حصص کے حتمی منافع کا اعلان کیا ہے۔

### آڈیٹرز:

موجودہ آڈیٹرز میسرز مرارز ایم ایف اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس رینڈز ہو جاتے ہیں اور خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ آڈٹ کمپنی کی تجویز کے مطابق، بورڈ ۳۰ جون، ۲۰۲۳ کو ختم ہونے والے سال کے لئے کمپنی کے لئے آڈیٹرز کے طور پر ان کی تقرری کی سفارش کرتا ہے۔

### شیئر ہولڈنگ کا نمونہ:

کمپنیز ایکٹ، ۲۰۱۷ کے ذریعہ ضروری شیئر ہولڈنگ کا تفصیلی نمونہ اور کارپوریٹ گورننس ۲۰۱۹ کے کوڈ کی تعمیل کا بیان منسلک ہے۔

## بورڈ کے اجلاسوں کی تعداد:

بی اوڈی اجلاسوں میں ڈائریکٹرز کی حاضری کو ظاہر کرنے والا بیان درج ذیل ہے:

سیریل نمبر	ڈائریکٹرز کے نام	بی اوڈی میٹنگوں کی تعداد		
		منعقد کیا گیا	شرکت کی	رخصت کی اجازت دی گئی / مستغنی / تقرری
1	جناب فخر الدین عثمانی	5	5	0
2	جناب قمر الدین عثمانی	5	5	0
3	جناب محمد فاروق عثمانی	5	5	0
4	جناب محمود دلی محمد	5	4	1
5	مسز ہما جاوید	5	5	0
6	جناب کامران احمد	5	5	0
7	جناب محمد شہزاد فاخر	5	5	0

## آڈٹ کمیٹی، ہیومن ریسورس کمیٹیاں، نامزدگی کمیٹی اور رسک مینجمنٹ کمیٹی:

بورڈ نے کارپوریٹ گورننس کے کوڈ کی تعمیل میں مندرجہ ذیل کمیٹیاں تشکیل دی ہیں جن میں درج ذیل ممبران شامل ہیں:

آڈٹ کمیٹی		ہیومن ریسورس کمیٹی	
جناب کامران احمد	چیئر مین	جناب فخر الدین عثمانی	چیئر مین
جناب محمد فاروق عثمانی	رکن	جناب قمر الدین عثمانی	رکن
جناب محمود دلی محمد	رکن	مسز ہما جاوید	رکن

نامزدگی کمیٹی		رسک مینجمنٹ کمیٹی	
جناب محمود دلی محمد	چیئر مین	جناب محمد شہزاد فاخر	چیئر مین
جناب فخر الدین عثمانی	رکن	جناب قمر الدین عثمانی	رکن
جناب محمد شہزاد فاخر	رکن	جناب قمر الدین عثمانی	رکن

جائزہ کے تحت سال کے دوران، کمیٹیوں نے اطمینان بخش اور کارپوریٹ گورننس کے کوڈ کے مطابق اپنے کام کو انجام دیا ہے۔

## اعتراف:

آخر میں ہم اللہ تعالیٰ سے دعا گو ہیں کہ وہ ہمیں اس منصوبے کا انتخاب کرنے کی توفیق عطا فرمائے جو نہ صرف قابل عمل ہے بلکہ شفاف نوعیت کا بھی ہے۔ ہم اپنے اسٹیک ہولڈرز کا بھی شکریہ ادا کرتے ہیں کہ وہ ہمارے ساتھ ہیں اور ہم اس بات کو یقینی بناتے ہیں کہ حافظ کا نام آپ کے اعتماد کو کبھی کم نہیں ہونے دے گا۔

کے لئے اور بورڈ کی طرف سے



فخر الدین عثمانی  
چیف ایگزیکٹو آفیسر

کراچی:

۱۶ اکتوبر 2020



## KEY OPERATING & FINANCIAL RESULTS FROM 2018 TO 2022

PARTICULARS	2022	2021	2020	2019	2018
	( Rupees in thousands)				
OPERATING DATA					
Sales (Net)	25,465	23,035	13,792	11,267	13,654
Cost of Sales	-	-	-	-	-
Gross Profit / (Loss)	-	-	-	-	-
Operating Expenses	11,856	6,649	6,647	5,556	6,178
Opeerating Profit / (Loss)	13,609	16,386	7,145	5,711	7,476
Financial Charges	12	12	14	12	24
Gain on change in fair value of investment property	11 ,848	9 ,714	14 ,103	19 ,487	11 ,511
Profit/ (Loss) Before Taxation	14,545	40,128	23,643	25,678	19,062
Profit/ (Loss) After Taxation	12,113	33,299	20,742	24,184	16,953
FINANCIAL DATA					
Paid up Capital	12,000	12,000	12,000	12,000	12,000
Equity Balance	479,733	470,299	427,362	408,481	386,617
Long Term Loans	56,635	56,635	56,635	56,635	56,635
Fixed Assets (Net)	529,667	504,995	491,508	478,340	457,238
Current Assets	24,721	33,989	14,515	10,590	9,925
Current Liabilities	17,284	11,689	9,694	11,550	11,601
KEY RATIOS					
Gross Margin	-	-	-	-	-
Operating Margin	-	-	-	-	-
Net Profit	53%	71%	48%	42%	40%
Return on Capital Employed	2.53%	3.39%	1.44%	1.20%	1.64%
Current Ratio	1.43	2.91	1.50	0.92	0.86
Earning per share (Rupees)	10.09	27.75	17.28	20.15	14.13
Cash Dividend	20.00%	20.00%	20.00%	17.50%	15.00%



## Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019.

Name of company: HAFIZ LIMITED (the “Company”)

For the year ended: 30th June, 2022.

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are **SEVEN** as per the following:

<b>a. Male:</b>	<b>Six</b>
<b>b. Female:</b>	<b>One</b>
2. The composition of Board is as follows:

a. Independent Directors	<b>Huma Javaid</b> <b>Kamran Ahmed</b>
b. Other Non-executive Director	<b>Muhammad Farooq Usmani</b> <b>Mahmood Wali Muhammad</b> <b>Muhammad Shazad Fakhir</b>
c. Executive Director	<b>Fakhruddin Usmani</b> <b>Quamruddin Osmani</b>
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Company stands complied with the requirements of the Regulations with respect to Directors' Training. One director has certification under Directors' Training Program and four directors met criteria of exemption as allowed under the Regulations. The remaining Director would be attending the Directors' Training Program within the time limit as allowed under these Regulations.
10. There was no fresh appointment of Chief Financial Officer, Company secretary and Head of Internal Audit during the year ended June 30, 2022. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and



complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members as given below:
  - a. Audit Committee (Name of members and Chairman)

Mr. Kamran Ahmed	- Chairman (Independent Director)
Mr. Muhammad Farooq Usmani	- Member
Mr. Mahmood Wali Muhammad	- Member
  - b. HR and Remuneration Committee (Name of members and Chairman)

Mr. Fakhruddin Usmani	- Chairman (Independent Director)
Mr. Quamruddin Osmani	- Member
Mr. Huma Javaid	- Member (Independent Director)
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committee were as per following:
  - a. Audit Committee  
Four quarterly meetings were held during the financial year ended June 30, 2022.
  - b. HR and Remuneration Committee  
One meeting was held during the financial year ended June 30, 2022.
15. The Board has set up an effective internal audit function. The Head of Internal Audit is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

**Fakhruddin Usmani**  
Chief Executive Officer

Karachi:  
6th October, 2022



## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Hafiz Limited (the Company)

### **Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Hafiz Limited for the year ended 30 June 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2022.

**MAZARS M.F. & CO.**  
**Chartered Accountants**

Place: Karachi  
Date: 6th October, 2022.





## INDEPENDENT AUDITOR'S REPORT

To the members of Hafiz Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of **Hafiz Limited (the Company)**, which comprise the statement of financial position as at **30 June 2022**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matters	How our audit addressed the Key audit matters
<p><b>1. Valuation of Investment Property</b></p> <p>At June 30, 2021, the Company held investment property amounting to Rs. 522.463 million, constituting 94.24% of the total assets, as disclosed in note 8 to the financial statements.</p> <p>As described in note 5.3 to the financial statements, investment property is measured at fair value and accordingly revaluation gain of Rs. 11.848 million was recognized and presented as a "revaluation gain on investment property".</p>	<p>Our procedures amongst others comprised of:</p> <ul style="list-style-type: none"><li>- Evaluating the competence, capabilities and objectivity of the management's external valuer and obtaining an understanding of the their scope of work and the terms of engagement;</li><li>- Reviewing the valuation report prepared by the management's external valuer to understand the basis and methodology of valuation;</li></ul>



The Company's investment property valuation is performed by an independent qualified professional valuer. The land was valued on the basis of fair market rates for similar sized plots and the building was valued based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence.

We identified valuation of investment property as a key audit matter because of the significance of investment property to the total assets of the Company and the estimation uncertainty and significant judgement involved in the valuation.

Assessing the adequacy of the disclosures in the financial statements in respect of investment property.

## Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Saqlain Siddiqui**.

Date: 6th October, 2022.  
Place: Karachi

**MAZARS M.F. & CO.**  
**Chartered Accountants**



## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 -----
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	7,203,960	6,453,319
Investment property	8	522,463,352	498,541,808
Long-term investments	9	1	1
		<u>529,667,313</u>	<u>504,995,128</u>
<b>CURRENT ASSETS</b>			
Short-term investments	10	12,211,510	24,424,070
Stores and spares	11	-	-
Trade debts	12	-	-
Trade deposits and advances	13	736,922	1,477,872
Taxation- net		4,256,637	2,097,176
Bank balances - current accounts		7,515,858	5,989,752
		<u>24,720,927</u>	<u>33,988,870</u>
Net assets in Bangladesh	14	1	1
<b>Total assets</b>		<u><b>554,388,241</b></u>	<u><b>538,983,999</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 2,000,000 (2021: 2,000,000) ordinary shares of Rs. 10/- each		20,000,000	20,000,000
Issued, subscribed and paid-up capital	15	12,000,000	12,000,000
Reserves		524,353,934	514,934,109
		<u>536,353,934</u>	<u>526,934,109</u>
<b>NON-CURRENT LIABILITY</b>			
Deferred liability - staff gratuity	16	750,250	360,473
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	13,004,743	7,807,830
Unclaimed dividend		4,279,314	3,881,587
		<u>17,284,057</u>	<u>11,689,417</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>554,388,241</b></u>	<u><b>538,983,999</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	18		

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

Karachi  
6th October, 2022

Muhamad Shahid Siddiqui  
CFO

Fakhruddin Usmani  
CEO

Qumaruddin Osmani  
Director




## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
Rental income		25,465,460	23,035,052
Administrative expenses	19	(11,855,957)	(6,648,663)
Unrealized gain on change in fair value of investment property	8	11,848,204	9,714,031
Other charges	20	(12,381,265)	-
		(12,389,018)	3,065,368
Other income	21	1,480,997	14,039,650
<b>Operating profit</b>		<b>14,557,439</b>	<b>40,140,070</b>
Finance cost - bank charges		(12,110)	(12,098)
<b>Profit before taxation</b>		<b>14,545,329</b>	<b>40,127,972</b>
Taxation	22	(2,432,403)	(6,828,806)
<b>Net profit for the year</b>		<b>12,112,926</b>	<b>33,299,166</b>
		----- (Rupees) -----	
<b>Basic and diluted earnings per share</b>	23	<b>10.09</b>	<b>27.75</b>

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

Karachi  
6th October, 2022

  
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Qumaruddin Osmani  
Director




## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

Note	2022 ----- (Rupees) -----	2021 -----
Net profit for the year	12,112,926	33,299,166
Other comprehensive income		
Item that will not be reclassified to statement of profit or loss in subsequent periods;		
(Loss) / Gain on remeasurement of post retirement benefits obligation	(293,100)	38,130
Total comprehensive income for the year	<u>11,819,826</u>	<u>33,337,296</u>

The annexed notes from an integral part of these financial statements.

Karachi  
6th October, 2022

  
**Muhamad Shahid Siddiqui**  
CFO

  
**Fakhruddin Usmani**  
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**Qumaruddin Osmani**  
Director



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid-up capital	RESERVES				Total equity
		Capital	General			
		Interest free loan from Directors Note: 4.18	Unappropriated profit	Fair value reserve for investment property	Gain on revaluation of investment at fair value through other comprehensive income	
Balance as at June 30, 2020	12,000,000	56,634,905	55,951,915	371,752,394	(342,401)	495,996,813
Final dividend @ Rs 2/- per share for the year ended June 30, 2021	-	-	(2,400,000)	-	-	(2,400,000)
Net Profit for the year	-	-	33,299,166	-	-	33,299,166
Other comprehensive income	-	-	38,130	-	-	38,130
Total comprehensive income for the year	-	-	33,337,296	-	-	33,337,296
Balance as at June 30, 2021	12,000,000	56,634,905	86,889,211	371,752,394	(342,401)	526,934,109
Final dividend @ Rs 2/- per share for the year ended June 30, 2022	-	-	(2,400,000)	-	-	(2,400,000)
Net Profit for the year	-	-	12,112,926	-	-	12,112,926
Other comprehensive loss	-	-	(293,100)	-	-	(293,100)
Total comprehensive income for the year	-	-	11,819,826	-	-	11,819,826
Balance as at June 30, 2022	12,000,000	56,634,905	96,309,036	371,752,394	(342,401)	536,353,934

The annexed notes from an integral part of these financial statements.

Karachi  
6th October, 2022

  
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# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED JUNE 30, 2022

	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>14,545,329</b>	<b>40,127,972</b>
Adjustments for non-cash charges and other items:		
Depreciation	911,379	1,026,436
Provision for gratuity	96,677	65,533
(Gain) / loss on revaluation of investments	12,381,265	-
Unrealized gain on revaluation of investment property	(11,848,204)	(9,714,031)
Other income	(1,480,997)	(14,039,650)
Finance cost	12,110	12,098
	<b>72,230</b>	<b>(22,649,614)</b>
Decrease / (increase) in current assets		
Trade deposits and advances	<b>740,950</b>	<b>11,200</b>
	<b>740,950</b>	<b>11,200</b>
(Decrease) / increase in current liabilities		
Trade and other payables	<b>5,196,913</b>	<b>1,549,206</b>
<b>Cash generated from operations</b>	<b>20,555,422</b>	<b>19,038,764</b>
Income tax paid	(4,591,864)	(7,007,642)
Finance cost paid	(12,110)	(12,098)
<b>Net cash generated from operating activities</b>	<b>15,951,448</b>	<b>12,019,024</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(182,020)	(4,799,554)
Investments made during the year	(12,241,049)	(5,396,675)
<b>Net cash used in investing activities</b>	<b>(12,423,069)</b>	<b>(10,196,229)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(2,002,273)	(1,953,481)
<b>Net cash used in financing activities</b>	<b>(2,002,273)</b>	<b>(1,953,481)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,526,106</b>	<b>(130,686)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>5,989,752</b>	<b>6,120,438</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>7,515,858</b>	<b>5,989,752</b>

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

Karachi  
6th October, 2022

  
Muhamad Shahid Siddiqui  
CFO

  
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Director



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Hafiz Limited (the Company) was incorporated in 1951. The shares of the Company are listed on the Pakistan Stock Exchange Limited .

In previous years, the Company had 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.

### 1.2 Geographical location and address of business units

The registered office and business units of the Company is situated at 97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi.

### 2. STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Act

Where provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

### 3. BASIS OF MEASUREMENT

- 3.1 These financial statements have been prepared under the historical cost convention, except for certain investments which have been disclosed in the accounting policies below.
- 3.2 These financial statements are presented in Pak Rupees which is also the Company's functional currency.

### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. The Company makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

	Notes
- determining the residual values, useful lives and impairment of property, plant and equipment	7
- impairment of financial and non-financial assets	5.19
- Allowance for expected credit loss	12
- provision for tax and deferred tax	22
- contingencies	18



## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 5.1 New / Revised Standards, Interpretations and Amendments

The Company has adopted the following accounting standards, amendments and interpretations of IFRSs and the improvements to accounting standards which became effective for the current year:

Interest Rate Benchmark Reform - Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

COVID-19-Related Rent Concessions (Amendments to IFRS 16)

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on the accounting policies.

### 5.2 Property, plant and equipment

#### Operating fixed assets

These are stated at cost less accumulated depreciation / amortisation and impairment loss, if any.

Depreciation is charged to the statement of profit or loss applying the reducing balance method. Depreciation on additions is charged from the month asset is available for use and in case of deletion, up to the month preceding the month of disposal.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

An item of operating fixed assets and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of operating fixed assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 5.3 Investment property

These are initially recognized at cost, which is the fair value of consideration given. Subsequently it is measured at fair value, any gain or loss arising from a change in the fair value of investment property is recognised in the statement of profit or loss for the period in which it arises.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference between the carrying amount and the fair value at the date of transfer is recognized in the statement of changes in equity as a fair value reserve for investment property. However, if a fair value gain reverses a previous impairment loss the gain is recognized in the statement of profit or loss to the extent of impairment charged previously in the statement of profit or loss. Upon the disposal of such investment property, any surplus previously recorded in the statement of changes in equity is transferred to retained earnings, the transfer is not made through the statement of profit or loss.

### 5.4 Stores and spares

These are valued at lower of cost, determined using weighted average method, and Net Realisable Value (NRV), less provision for obsolete items (if any). Items in transit are valued at cost comprising purchase price, freight value and other charges incurred thereon upto the reporting date. Provision is made for items which are obsolete and slow moving and is determined based on management estimate regarding their future usability.



## 5.5 Trade debts

These are recognized and carried at original invoice amount being the fair value and subsequently measured at amortised cost. Provision is made on the basis of lifetime Expected Credit Losses that result from all possible default events over the expected life of the trade debts. Bad debts are written off when considered irrecoverable.

## 5.6 Loans, advances and deposits

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition, assessment is made at each statement of financial position date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

## 5.7 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, bank balances and short-term investments with a maturity of three months or less from the date of acquisition net of short-term borrowings. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

## 5.8 Taxation

### Current

Charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax rebates and credits available, if any.

### Deferred

Deferred tax is provided using the statement of financial position liability method, on all temporary differences at the statement of financial position date between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax assets and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognised deferred tax assets are re-assessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax asset amounting to Rs. 20.894 million (2021: Rs. 3.776 million) has not been recognized in these financial statements in accordance with the above policy.

## 5.9 Unclaimed dividend

The Company recognises unclaimed dividend which was declared and remained unclaimed by the shareholder from the date it was due or payable.



## 5.10 Trade and other payables

Liabilities for trade and other payable are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

## 5.11 Contingent liabilities

Contingent liability is disclosed when

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measure with sufficient reliability.

## 5.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of assets and incurred during the period in connection with the activities necessary to prepare the asset for its intended use are capitalised as a part of the cost of related asset.

## 5.13 Staff retirement benefits

The Company operates an un-approved and unfunded defined gratuity scheme for all permanent employees who have completed the minimum qualifying year of service for entitlement of gratuity. Gratuity is based on employees' last drawn salary. Provisions are made to cover the obligations under the scheme on the basis of actuarial recommendations. The actuarial valuations are carried out using the Projected Unit Credit Method.

Actuarial gain or loss (remeasurements) are immediately recognised in 'Other Comprehensive Income' as they occur. The amount recognised in the statement of financial position represents the present value of defined benefit obligations as reduced by the fair value of the plan assets. Current service costs and any past service costs together with net interest cost are charged to the statement of profit or loss.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the Plan.

## 5.14 Provisions

Provisions are recognised in the statement of financial position where the Company has a legal or constructive obligation as a result of past event, it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

## 5.15 Revenue recognition

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable. Rental income from properties is recognized as revenue as per the tenancy agreements on accrual basis.



## 5.16 Other income

Other income is recognised to the extent it is probable that the economic benefits will flow to the Company and amount can be measured reliably. Other income is measured at the fair value of the consideration received or receivable and is recognised on the following basis:

- Dividend income is recognised when the right to receive the dividend is established.
- Gain on disposal is recognised at the time of disposal of operating fixed assets.

## 5.17 Foreign currency transactions

Foreign currency transactions are translated into Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Exchange gains or losses are included in statement of profit or loss of the current period.

## 5.18 Interest free loan from Directors

These are classified as equity. According to Technical Release - 32 issued by the Institute of Chartered Accountants of Pakistan (ICAP), any loan to an entity by the director which is agreed to be paid at the discretion of the entity does not pass the test of liability and is to be recorded as equity at face value. This is not subsequently re-measured. The decision by the entity at any time in future to deliver cash or any other financial asset to settle the director's loan would be a direct debit to equity.

## 5.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

#### Initial recognition and measurement

Under IFRS 9 Financial assets are classified, at initial recognition, as subsequently measured at following:

- at amortised cost
- at fair value through other comprehensive income (FVTOCI); and
- at fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them.

#### (a) At amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



**(b) At fair value through other comprehensive income**

A financial asset is measured at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. The company has irrevocably elected to carry its quoted investments in equity instruments under this category.

**(c) At fair value through profit and loss**

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified into following categories;

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss

**Financial assets at amortised cost (debt instruments)**

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

**Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)**

These assets are subsequently measured at fair value. Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.





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## **Financial assets at fair value through OCI with no recycling of cumulative gains and losses (equity instruments)**

These assets are subsequently measured at fair value. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

## **Financial assets at fair value through profit or loss**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

## **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## **Impairment of financial assets**

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.



The Company uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

## ii) Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

### Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 5.20 Dividends and appropriation to reserves

The Company recognises a liability for dividend to equity holder when it is authorized as per corporate laws in Pakistan. The transfer of reserves within the equity are recognized when these are approved as per the applicable laws.



## 6. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>Standard or Amendments</b>	<b>Effective date (annual periods beginning on or after)</b>
IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 1, 2022
IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	January 1, 2022
IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	January 1, 2022
IAS 1 - Classification of Liabilities as Current or Non-Current (Amendments)	January 1, 2023
IFRS 10 / IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not Yet Finalized
IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	January 01, 2023
IAS 1 - Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8 - Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12 - Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 01, 2023

### **Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)**

IFRS 9 - Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	January 1, 2022
IAS 41 - Agriculture – Taxation in fair value measurements	January 1, 2022
IFRS 16 - Leases: Lease incentives	January 1, 2022

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

<b>Standard</b>	<b>IASB effective date (annual periods beginning on or after)</b>
IFRS 1 First time adoption of IFRSs	01 January 2004
IFRS 17 Insurance Contracts	01 January 2023

The Company expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.



## 7. PROPERTY, PLANT AND EQUIPMENT

	COST			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
	As at July 01, 2021	Additions	Disposals	As at June 30, 2022	Rate	Charge for the year	As at June 30, 2022
		(Rupees)			%	(Rupees)	
Plant and machinery	56,217,686	-	-	56,217,686	10	155,471	1,399,237
Tools and equipments	466,091	-	-	466,091	10	320	2,883
Electrical fittings	3,425,342	-	-	3,425,342	10	69,262	623,353
Furniture and fixtures	2,010,680	-	-	2,010,680	10	91,872	826,843
Office equipment	1,966,330	182,020	-	2,148,350	10	98,465	887,686
Vehicles	3,924,392	1,480,000	-	5,404,392	20	495,989	3,463,958
<b>2022</b>	<b>68,010,521</b>	<b>1,662,020</b>	<b>-</b>	<b>69,672,541</b>		<b>911,379</b>	<b>7,203,960</b>

	COST			ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE
	As at July 01, 2020	Additions	Disposals	As at June 30, 2021	Rate	Charge for the year	As at June 30, 2021
		(Rupees)			%	(Rupees)	
Plant and machinery	56,217,686	-	-	56,217,686	10	172,745	1,554,708
Tools and equipments	466,091	-	-	466,091	10	356	3,203
Electrical fittings	3,352,944	72,398	-	3,425,342	10	71,360	692,615
Furniture and fixtures	2,010,680	-	-	2,010,680	10	102,079	918,715
Office equipment	1,536,849	429,481	-	1,966,330	10	62,764	804,131
Vehicles	1,840,622	2,083,770	-	3,924,392	20	617,132	2,479,947
<b>2021</b>	<b>65,424,872</b>	<b>2,585,649</b>	<b>-</b>	<b>68,010,521</b>		<b>1,026,436</b>	<b>6,453,319</b>



## 8. INVESTMENT PROPERTY

	As at July 01, 2021	Addition	Revaluation	Disposal	As at June 30, 2022
Land - freehold	450,000,000	-	12,000,000	-	462,000,000
Building on freehold land	46,327,903	-	(151,796)	-	46,176,107
Capital work in progress (Note 8.4)	2,213,905	12,073,340			14,287,245
<b>2022</b>	<b>498,541,808</b>	<b>12,073,340</b>	<b>11,848,204</b>	<b>-</b>	<b>522,463,352</b>

	As at July 01, 2020	Addition	Revaluation	Disposal	As at June 30, 2021
Land - freehold	440,673,125	-	9,326,875	-	450,000,000
Building on freehold land	45,940,747	-	387,156	-	46,327,903
Capital work in progress		2,213,905			2,213,905
<b>2021</b>	<b>486,613,872</b>	<b>2,213,905</b>	<b>9,714,031</b>	<b>-</b>	<b>498,541,808</b>

8.1 Had there been no revaluation the written down values of revalued investment property (after providing depreciation, if any) would have been as follows:

	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
Land - freehold	94,880,000	94,880,000
Building on freehold land	1,765,253	1,918,753
	<b>96,645,253</b>	<b>96,798,753</b>

The forced sale value is estimated as follows:

Land - freehold	369,600,000	360,000,000
Building on freehold land	36,940,885	37,062,322
	<b>406,540,885</b>	<b>397,062,322</b>

8.2 Investment property was revalued and the value has been determined on the basis of valuation carried out by an independent valuer as of June 30, 2022. The land was valued on the basis of fair market rent and the building was valued based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence.

### 8.3 Details of the Company's immovable investment property

	Land Area (square yards) ----- (Rupees) -----	Building Covered Area (square feet) ----- (Rupees) -----
Plot no.9, Manghopir road, S.I.T.E, Karachi.	28,701	258,311

### 8.4 Capital work in progress

During the year, Company has given advance for the purchase of land in the area of K28, Phase II, Block A, Trans Lyari Quarters, Hawksbay Road, District Maripur, Karachi.



9. LONG-TERM INVESTMENTS	Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
<b>Quoted - at fair value through other comprehensive income</b>			
Pan Islamic Steamship Company Limited			
275,000 (2021: 275,000) ordinary shares of Rs. 100/- each			
Less: Provision for impairment	9.1	<b>16,137</b> <b>(16,136)</b> <b>1</b>	16,137 (16,136) 1
Change in fair value		- <b>1</b>	- <b>1</b>

- 9.1 During the year 2015, Pan Islamic Steamship Company Limited shares were delisted from Pakistan Stock Exchange Limited due to which no trading is taking place in these shares . The Company has made full provision against it, leaving a token value of Rs 1

10. SHORT-TERM INVESTMENTS	Note	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
Investments at fair value through profit or loss	10.1	<b>12,211,510</b>	<b>24,424,070</b>

## 10.1 Financial Assets

### Quoted - at fair value through profit or loss

#### AISHA STEEL MILLS LIMITED

25000 (2021: 15000) ordinary shares of Rs. 10/- each

#### AMTEX LIMITED

25000 (2021: 25000) ordinary shares of Rs. 10/- each

#### ARIF HABIB CORPORATION LIMITED

Nil (2021: 25000) ordinary shares of Rs. 10/- each

#### AZGARD NINE LIMITED

10000 (2021: Nil) ordinary shares of Rs. 10/- each

#### CHAKWAL SPINNING MILLS LIMITED

50000 (2021: Nil) ordinary shares of Rs. 10/- each

#### CNERGYICO PK LIMITED

130000 (2021: 130000) ordinary shares of Rs. 10/- each

#### COLONY TEXTILE MILLS LIMITED

40000 (2021: 95500) ordinary shares of Rs. 10/- each

#### DEWAN FAROOQUE SPINNING MILLS LIMITED

Nil (2021: 25000) ordinary shares of Rs. 10/- each

#### DOLMEN CITY REIT

Nil (2021: 20000) ordinary shares of Rs. 10/- each

#### DOST STEELS LIMITED

10000 (2021: 10000) ordinary shares of Rs. 10/- each

#### ENGRO POWERGEN QADIRPUR LIMITED

Nil (2021: 30000) ordinary shares of Rs. 10/- each

#### FAUJI FOODS LIMITED

2000 (2021: 10000) ordinary shares of Rs. 10/- each

#### GHANDHARA NISSAN LIMITED

3000 (2021: Nil) ordinary shares of Rs. 10/- each

#### GHAZI FABRICS INTERNATIONAL LIMITED

20000 (2021: 20000) ordinary shares of Rs. 10/- each

#### HIRA TEXTILE MILLS LIMITED

60000 (2021: 60000) ordinary shares of Rs. 10/- each

#### IMAGE PAKISTAN LTD

5000 (2021: Nil) ordinary shares of Rs. 10/- each

608,464	370,821
-	-
-	1,045,305
125,568	-
187,520	-
1,509,300	1,314,537
393,627	450,097
-	79,513
-	226,462
49,800	64,607
-	694,138
11,873	170,511
226,506	
185,000	239,892
244,800	284,906
73,259	



	Note	2022 ----- (Rupees) -----	2021 -----
<b>K-ELECTRIC LIMITED</b>			
825000 (2021: 425000) ordinary shares of Rs. 10/- each		2,987,310	1,741,005
<b>LALPIR POWER LIMITED</b>			
20000 (2021: 20000) ordinary shares of Rs. 10/- each		357,200	382,024
<b>MAPLE LEAF CEMENT FACTORY LIMITED</b>			
Nil (2021: 10000) ordinary shares of Rs. 10/- each		-	468,471
<b>NISHAT CHUNIAN POWER LIMITED</b>			
20000 (2021: 20000) ordinary shares of Rs. 10/- each		300,400	363,024
<b>NISHAT POWER LIMITED</b>			
30000 (2021: 10000) ordinary shares of Rs. 10/- each		606,808	203,562
<b>PAK SUZUKI MOTOR COMPANY LIMITED</b>			
2000 (2021: 2000) ordinary shares of Rs. 10/- each		750,613	723,224
<b>PAKISTAN INTERNATIONAL BULK TERMINAL</b>			
10000 (2021: 10000) ordinary shares of Rs. 10/- each		113,800	131,999
<b>PAKISTAN STOCK EXCHANGE LIMITED</b>			
2000 (2021: 10000) ordinary shares of Rs. 10/- each		13,793	172,511
<b>PAKISTAN TELECOMMUNICATION COMPANY LTD</b>			
55000 (2021: 55000) ordinary shares of Rs. 10/- each		651,200	625,136
<b>POWER CEMENT LIMITED</b>			
464000 (2021: 490000) ordinary shares of Rs. 10/- each		4,775,355	4,714,424
<b>SINDH MODARABA</b>			
34000 (2021: 35000) ordinary shares of Rs. 10/- each		299,515	330,670
<b>TELECARD LIMITED</b>			
Nil (2021: 25000) ordinary shares of Rs. 10/- each		-	351,374
<b>WORLDCALL TELECOM LIMITED</b>			
2285000 (2021: 2245000) ordinary shares of Rs. 10/- each		10,054,612	4,468,904
<b>ZEPHYR TEXTILES LIMITED</b>			
6000 (2021: 10500) ordinary shares of Rs. 10/- each		66,452	147,646
		24,592,775	19,764,762
(Loss) / gain on revaluation of investments		(12,381,265)	4,659,308
		<b>12,211,510</b>	<b>24,424,070</b>





# HAFIZ LIMITED

	Note	2022 ----- (Rupees) -----	2021 -----
<b>11. STORES AND SPARES</b>			
Stores		196,970	196,970
Spares		<u>2,531,821</u>	<u>2,531,821</u>
		2,728,791	2,728,791
Less: Provision for obsolescence		<u>(2,728,791)</u>	<u>(2,728,791)</u>
		<u>-</u>	<u>-</u>
<b>12. TRADE DEBTS - unsecured</b>			
Considered good		2,012,797	2,012,797
Less: Allowance for expected credit losses		<u>(2,012,797)</u>	<u>(2,012,797)</u>
		<u>-</u>	<u>-</u>
<b>12.1</b> These are in normal course of business and are interest free.			
<b>13. TRADE DEPOSITS AND ADVANCES</b>			
Deposits	13.1	148,846	1,028,846
Funds at Ghani Securities		139,050	-
Advance to staff		449,026	449,026
Advances to suppliers		<u>3,807,863</u>	<u>3,807,863</u>
Less: Provision against doubtful advances		<u>(3,807,863)</u>	<u>(3,807,863)</u>
		-	-
		<u>736,922</u>	<u>1,477,872</u>
<b>13.1</b> These are in normal course of business and are interest free.			
<b>14. NET ASSETS IN BANGLADESH</b>			
Board Loan Unit		10,196,790	10,196,790
Less: Loan from PICIC and interest accrued thereon		<u>(4,741,141)</u>	<u>(4,741,141)</u>
		5,455,649	5,455,649
Investment: 712,500 (2021: 712,500) fully paid ordinary shares of Rs. 10/- each Hafiz Jute Mills Limited		7,125,000	7,125,000
Chittagong branch:			
Vehicles		<u>106,085</u>	<u>106,085</u>
Office equipment		<u>24,319</u>	<u>24,319</u>
Furniture and fixtures		<u>3,641</u>	<u>3,641</u>
		134,045	134,045
Less: Accumulated depreciation		(44,389)	(44,389)
Less: Provision		<u>(12,670,304)</u>	<u>(12,670,304)</u>
		<u>1</u>	<u>1</u>



## 15. SHARE CAPITAL

### 15.1 Authorized Capital

The Company has authorised capital of 2,000,000 ordinary shares of Rs. 10/- each amounting to Rs. 20 million.

### 15.2 Issued, subscribed and paid-up capital

2022	2021		2022	2021
Number of ordinary shares of Rs. 10/- each			(Rupees)	
395,000	395,000	Fully paid in cash	3,950,000	3,950,000
105,000	105,000	Other than cash	1,050,000	1,050,000
700,000	700,000	Issued as fully paid bonus shares	7,000,000	7,000,000
<b>1,200,000</b>	<b>1,200,000</b>		<b>12,000,000</b>	<b>12,000,000</b>

## 16. DEFERRED LIABILITY - STAFF GRATUITY

Staff gratuity	16.1	<b>750,250</b>	<b>360,473</b>
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### 16.1 Amount recognised in statement of financial position

Opening balance		<b>360,473</b>	333,070
Charge for the year	16.2	<b>96,677</b>	65,533
Recognised in other comprehensive income		<b>293,100</b>	(38,130)
Benefits paid		-	-
Closing balance		<b>750,250</b>	<b>360,473</b>

### 16.2 Movement in the present value of defined benefit obligation

Current service cost		<b>24,152</b>	22,222
Interest cost		<b>72,525</b>	43,311
		<b>96,677</b>	<b>65,533</b>

### 16.3 Principal actuarial assumptions

Expected rate of increase in salary level	<b>12.25%</b>	9.00%
Valuation discount rate	<b>13.25%</b>	10.00%

### 16.4 Sensitivity analysis

	June 30, 2022			
	Discount rate		Salary increase	
	+100 bps	-100 bps	+100 bps	-100 bps
Present value of obligations	<b>742,813</b>	<b>757,743</b>	<b>757,762</b>	<b>742,822</b>



	Note	2022 ----- (Rupees) -----	2021 -----
<b>17. TRADE AND OTHER PAYABLES</b>			
Accrued liabilities		<b>6,341,243</b>	2,069,125
Security deposits	17.1	<b>4,968,445</b>	4,338,152
Advance from tenant		<b>1,200,640</b>	906,138
War risk insurance premium	18.1.1	<b>494,415</b>	494,415
		<b>13,004,743</b>	<b>7,807,830</b>

17.1 All security deposits are interest free and are payable on demand.

## **18. CONTINGENCIES AND COMMITMENTS**

### **18.1 Contingencies**

**18.1.1** The Company has a contingent liability of Rs. 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 the Honorable High Court of Sindh and the case is still in progress. The management and its legal adviser are confident of a favourable outcome however, as a matter of prudence the Company has made a provision of Rs. 0.494 million.

**18.1.2** During the year 1992, the Company was served a notice by the Honorable High Court of Sindh in respect of termination of various employees demanding a compensation of Rs. 0.41 million be paid to such employees. The management and its legal adviser are confident of a favourable outcome hence, no provision in respect of the above amount has been made in these financial statements.

**18.1.3** 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 Statement of profit and loss of the Company. The Company's appeal before SECP has been dismissed but the Company has filed appeal before Honorable High Court of Sindh. The outcome of the above appeal is pending and the management is confident that the appeal will be decided in Company's favour accordingly, no related adjustments have been recorded in these financial statements.

### **18.2 Commitments**

There were no outstanding commitments as at June 30, 2022 (2021: Nil).



	Note	2022 ----- (Rupees) -----	2021 -----
<b>19. ADMINISTRATIVE EXPENSES</b>			
Directors' remuneration		3,300,000	947,850
Salaries and benefits	19.1	886,677	461,533
Utilities		1,398,932	1,277,982
Postage, telegram and telephone		310,529	205,891
Printing and stationery		171,284	86,037
Vehicle running expense		379,989	285,442
Legal and professional		210,395	194,010
Auditors' remuneration	19.2	710,000	710,000
Fees and subscription		2,203,458	410,581
Rent, rates and taxes		376,203	277,201
Repairs and maintenance		409,603	348,781
Depreciation	7	911,379	1,026,436
Entertainment		306,798	314,891
Advertisement		131,125	40,000
Travelling expenses		79,000	-
Others		70,585	62,028
		<b>11,855,957</b>	<b>6,648,663</b>
<b>19.1</b>	These include retirement benefits of Rs.96,677 ( 2021: 65,533).		
<b>19.2 Auditors' remuneration</b>			
Audit fee		600,000	600,000
Half-yearly review		50,000	50,000
Other services		50,000	50,000
Out of pocket expenses		10,000	10,000
		<b>710,000</b>	<b>710,000</b>
<b>20. OTHER CHARGES</b>			
Loss on revaluation of investments		<b>12,381,265</b>	-
<b>21. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Dividend		537,600	151,750
Gain on sale of short term investments		392,356	9,228,592
Gain on revaluation of investments		-	4,659,308
		<b>929,956</b>	<b>14,039,650</b>
<b>Income from non financial assets</b>			
Liability no longer payable written back		551,041	-
		<b>1,480,997</b>	<b>14,039,650</b>



	Note	2022 ----- (Rupees) -----	2021 -----
<b>22. TAXATION</b>			
Current		3,814,092	7,210,007
Prior		(1,381,689)	(381,201)
		<u><b>2,432,403</b></u>	<u><b>6,828,806</b></u>

## 22.1 Relationship between income tax expense and accounting profit

Profit before taxation		<u><b>14,545,329</b></u>	<u>40,127,972</u>
Tax at the rate of 29% (2021: 29%)		<b>4,218,145</b>	11,637,112
<b>Tax effects of:</b>			
Expenses / income that are not allowable for tax purposes		<b>(408,114)</b>	(4,427,105)
Prior		<b>(1,381,689)</b>	(381,201)
		<u><b>(1,789,803)</b></u>	<u>(4,808,306)</u>
		<u><b>2,428,342</b></u>	<u><b>6,828,806</b></u>

**22.2** The Company has filed its return of income up to tax year 2021. These are deemed to be assessed in accordance with the requirements of Income Tax Ordinance 2001.

## 23. BASIC AND DILUTED EARNINGS PER SHARE

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

Net profit for the year	<u><b>12,112,926</b></u>	<u>33,299,166</u>
	<b>Number of shares</b>	
Weighted average No. of ordinary shares of Rs. 10/- each in issue	<u><b>1,200,000</b></u>	<u>1,200,000</u>
	<b>----- (Rupees) -----</b>	
<b>Basic and diluted earnings per share</b>	<u><b>10.09</b></u>	<u>27.75</u>

## 24. REMUNERATION OF DIRECTORS AND CHIEF EXECUTIVE

	2022		2021	
	Chief executive	Directors	Chief executive	Directors
Managerial remuneration	<b>1,620,000</b>	<b>1,350,000</b>	300,000	180,000
Other perquisites	<b>180,000</b>	<b>150,000</b>	175,000	292,850
	<u><b>1,800,000</b></u>	<u><b>1,500,000</b></u>	<u>475,000</u>	<u>472,850</u>
Number of persons	<u><b>1</b></u>	<u><b>1</b></u>	<u><b>1</b></u>	<u><b>1</b></u>



## 25. TRANSACTIONS WITH RELATED PARTIES

Related party comprises of directors and key management personnel of the Company. Details of transactions with related parties have been disclosed in the respective notes to the financial statements.

## 26. FINANCIAL INSTRUMENTS BY CATEGORY

### 26.1 Financial assets as per statement of financial position

#### At amortised cost

Trade deposits and advances	736,922	1,477,872
Bank balances	7,515,858	5,989,752

#### At fair value through OCI

Long-term investments	1	1
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#### At fair value through profit and loss

Investment property	522,463,352	498,541,808
Short term investments	12,211,510	24,424,070

### 26.2 Financial liabilities as per statement of financial position

#### At amortised cost

Deferred liability - staff gratuity	750,250	360,473
Trade and other payables	13,004,743	7,807,830
Unclaimed dividend	4,279,314	3,881,587

## 27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial instruments are subject to credit risk, liquidity risk and equity price risk. The Board of Directors oversees policies for managing each of these risks which are summarised below.

### 27.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.



Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk on trade debts, trade deposits, short-term investments and bank balances. The Company seeks to minimize the credit risk exposure through having exposure only to customers considered credit worthy and obtaining securities where applicable.

## Quality of financial assets

The credit quality of financial assets is analyzed as under:

	2022 ----- (Rupees) -----	2021 ----- (Rupees) -----
<b>Bank balances</b>		
Ratings		
A1+	<u>7,515,858</u>	<u>5,989,752</u>

\* This includes rating assigned by an international rating agency to foreign banks.

Financial assets other than bank balances, are not exposed to any material credit risk.

## 27.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with the financial instruments. To guard against the risk, the Company has diversified funding sources and the assets are managed with liquidity in mind. The maturity profile is monitored to ensure that adequate liquidity is maintained.

### Year ended June 30, 2022

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	----- (Rupees) -----				
Trade and other payables	13,004,743	-	-	-	13,004,743
Unclaimed dividend	4,279,314	-	-	-	4,279,314
	<u>17,284,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,284,057</u>

### Year ended June 30, 2021

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	----- (Rupees) -----				
Trade and other payables	7,807,830	-	-	-	7,807,830
Unclaimed dividend	3,881,587	-	-	-	3,881,587
	<u>11,689,417</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,689,417</u>



## 27.3 Equity price risks

Equity price risk is the risk that the fair value of future cashflows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's quoted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Company's Board of Directors on a regular basis. The Board of Directors review and approve all equity investment decisions.

As at the statement of financial position date, the exposure to listed equity securities at fair value was Rs. 12,211,510. A decrease of 10% in the share price of these securities would have an impact of approximately Rs 1,221,151 on equity. An increase of 10% in the share price of the listed security would impact equity with the similar amount.

## 28. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing its operations through equity.

## 29. FAIR VALUE OF FINANCIAL INSTRUMENTS

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 date. The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of financial position date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from their book value.

### Fair value hierarchy

The table below 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).

	Level 1	Level 2	Level 3	Total
2022	( Rupees )			
<b>Assets</b>				
- Investments carried at fair value through OCI	12,225,510	-	-	12,225,510
- Investments carried at fair value through profit or loss	-	522,463,352	-	522,463,352
2021	Level 1	Level 2	Level 3	Total
	( Rupees )			
<b>Assets</b>				
- Investments carried at fair value through OCI	24,424,070	-	-	24,424,070
- Investments carried at fair value through profit or loss	-	498,541,808	-	498,541,808

There were no transfers amongst levels during the year.





## 30. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on 6th October, 2022 has approved the following:

- (i) payment of cash dividend of Rs. 2/- per share for the year ended June 30, 2022 for approval of the members at the Annual General Meeting to be held on 27th October, 2022.

## 31. NUMBER OF EMPLOYEES

### Total number of employees

	2022	2021
Total number of Company's employees as at June, 30	4	4
Average number of Company's employees during the year	4	4

## 32. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed as required under Paragraph 10 of Part I of the 4th Schedule to the Companies Act, 2017 relating to "All Shares Islamic Index".

Description	Explanation
Trade deposits and advances	Non interest bearing
Security deposits	Non interest bearing
Bank Balances	All bank balances are maintained with conventional banks
Relationship with Shariah compliant banks	Company does not have any relationship with bank under Islamic windows of operations

## 33. GENERAL

33.1 Corresponding figures have been re-arranged and reclassified, wherever necessary. However, there were no significant reclassifications to report.

33.2 Figures have been rounded off to the nearest rupees.

## 34. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 6th October, 2022 by the Board of Directors of the Company.

Karachi  
6th October, 2022

  
Muhamad Shahid Siddiqui  
CFO

  
Fakhruddin Usmani  
CEO

  
Qumaruddin Osmani  
Director



# HAFIZ LIMITED

## FORM - "34"

### Pattern of holding of shares held by the share holders as on 30th June, 2022.

No. of shareholders	From	To	Share Value Rs.10/- each
725	1	100	31,878
139	101	500	33,219
24	501	1000	18,778
29	1001	5000	69,548
8	5001	10000	55,445
4	10001	15000	48,903
2	15001	20000	37,065
3	20001	25000	67,910
12	25001	30000	313,626
3	30001	35000	100,342
7	35001	40000	254,151
1	40001	115000	50,979
1	115001	120000	118,156
<b>958</b>			<b>1,200,000</b>

#### Categories of Share Holders

	No. of Share Holders	Shares Held	%
Directors, Chief Executive Officer and their spouse and minor	10	272,247	22.69%
Associated Companies, Undertakings and related parties	1	118,156	9.85%
NIT and ICP	2	2,226	0.19%
Banks, Development Finance Institutions, Non-banking Finance institutions	5	140	0.01%
Insurance Companies	1	200	0.02%
Modarabas and Mutual Funds	1	20	0.00%
Share Holders Holding 10%	-	-	0.00%
General Public	935	804,867	67.07%
Others (Joint Stock Companies)	3	2,144	0.18%
	<b>958</b>	<b>1,200,000</b>	<b>100.00%</b>

#### Directors, Chief Executive Officer and their spouse and minor

Mr. Fakhruddin Usmani	1	36,000	3.00%
Mr. Quamruddin Osmani	1	35,000	2.92%
Mr. Muhammad Farooq Usmani	1	34,980	2.92%
Mr. Mahmood Wali Muhammad	1	36,000	3.00%
Mr. Muhammad Shazad Fakhir	1	20,000	1.67%
Mrs. Sabra Fakhruddin	(Spouse of Directors & CEO)	30,362	2.53%
Mrs. Zahida Quamruddin	(Spouse of Directors & CEO)	27,455	2.29%
Mrs. Nasreen Farooq Usmani	(Spouse of Directors & CEO)	25,831	2.15%
Mrs. Parveen Mahmood	(Spouse of Directors & CEO)	21,598	1.80%
Miss. Javeria	(Minor Children of Directors & CEO)	5,021	0.42%
	<b>10</b>	<b>272,247</b>	<b>22.69%</b>

#### Associated Companies, Undertakings

Textile Trading Company Limited	1	118,156	9.84%
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#### NIT and ICP

Investment Corporation of Pakistan	1	1,203	0.10%
National Bank of Pakistan	1	1,023	0.09%
	<b>2</b>	<b>2,226</b>	<b>0.19%</b>

#### Banks, Development Finance Institutions, Non-Banking Finance Companies

Habib Bank Ltd. KSE Br., Karachi	1	6	0.00%
HLB A/c A.G. Ismail	1	2	0.00%
HLB A/c A.K. Haji Moosa	1	2	0.00%
Muslim Commercial Bank Ltd	1	100	0.01%
Habib Bank Limited, HS Branch, Karachi	1	30	0.00%
	<b>5</b>	<b>140</b>	<b>0.01%</b>

#### Insurance Companies

Pakistan Insurance Corporation	1	200	0.02%
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#### Mutual Fund

H.M. Investment (Pvt) Limited	1	20	0.01%
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#### General Public

a) Local b) Foreign	935	804,867	67.07%
b) Foreign	-	-	0.00%
	<b>935</b>	<b>804,867</b>	<b>67.07%</b>

#### Others (Joint Stock Companies)

BCGA Punjab (Pvt.) Limited	1	2,004	0.16%
Fateh Textile Mills Limited	1	100	0.01%
Zam Zam Limited	1	40	0.01%
	<b>3</b>	<b>2,144</b>	<b>0.18%</b>
	<b>958</b>	<b>1,200,000</b>	<b>100.00%</b>



# HAFIZ LIMITED

## HAFIZ LIMITED

97 Alliance Building, 2nd Floor, Moolji 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 detail 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)*

<b>i) Shareholder's Detail</b>	
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	
<b>ii) Shareholder's Bank Detail</b>	
Title of Bank Account	
Bank Account Number (16 Digital) 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



# HAFIZ LIMITED

I, \_\_\_\_\_ CNIC \_\_\_\_\_  
of \_\_\_\_\_  
being a member of **HAFIZ LIMITED**, and entitled to \_\_\_\_\_ vote (votes) hereby appoint  
Mr. \_\_\_\_\_ NIC \_\_\_\_\_ of  
\_\_\_\_\_ as my proxy \_\_\_\_\_ to vote  
for me and my behalf at **71st Annual General Meeting** of the Company to be held on  
**Thursday, 27th October, 2022 at 2:30 p.m.** and at any adjournment thereof.

As witness my/our hand seal this \_\_\_\_\_ day of \_\_\_\_\_

Signed by \_\_\_\_\_

Said in presence of: -

1. Name \_\_\_\_\_ Address \_\_\_\_\_  
\_\_\_\_\_ N.I.C. No. \_\_\_\_\_.

2. Name \_\_\_\_\_ Address \_\_\_\_\_  
\_\_\_\_\_ N.I.C. No. \_\_\_\_\_.

Folio No.	CDC Account #		Signature on Five Rupees Revenue Stamps
	Participant I.D.	Account #	

The Signature should agree with the specimen register of the company

**N.B.:**

1. The proxy duly signed across 5/- rupees Revenue Stamp should reach the Company's Office at least 48 hours before the time of meeting. Please quote number of shares \_\_\_\_\_ Register ed Folio No. \_\_\_\_\_.  
A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote in his/her place. Such proxy must be a member of the company.
2. Original CNIC of shareholder is necessary to attend the AGM alongwith a photo copy of CNIC to submit at the desk of reception.
3. **For CDC Account Holders / Corporate Entities**  
In addition to the above the following requirements have to be met.  
(i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.  
(ii) The proxy shall produce his original CNIC or original passport at the time of meeting.  
(iii) In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier along with proxy form to the company).

# **BOOK POST**

**UNDER POSTAL CERTIFICATE**

If undelivered pleased return to:

**HAFIZ LIMITED**

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