

67th Annual Report 2018



HAFIZ LIMITED

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 sixty seven 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.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **67th Annual General Meeting** of shareholders of the **HAFIZ LIMITED** will be held **Insha-Allah on Wednesday, 24th October, 2018 at 11:30 a.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 31st October, 2017.
2. To receive, consider and adopt the Annual Audited Accounts of the company for the year ended 30th June, 2018 together with the Directors' and Auditors' reports thereon.
3. To approve as recommended by the directors, the payment of Cash Dividend @ 17.50% Rs.1.75 per share for the year ended 30th June, 2018.
4. To elect Seven (7) Directors as fixed by the Board of Directors in accordance with provisions of section 159 of Companies Act, 2017 for a term of three (3) years commencing from October 30, 2018. All retiring directors shall be eligible to offer themselves for re-election. The names of the retiring directors are:
 - i) Fakhruddin Usmani
 - ii) Quamruddin Osmani
 - iii) Muhammad Farooq Usmani
 - iv) Mahmood Wali Muhammad
 - v) Muhammad Atiq
 - vi) Ali Muhammad Usmani
 - vii) Muhammad Shahzad Fakir
5. To appoint Auditors for the year ending 30th June, 2019 and to fix their remuneration.
6. To transact any other business of the Company with the permission of the Chair.

By order of the Board
S. Shafiq Hassan
Company Secretary

Karachi: 3rd October, 2018.

Notes:

1-Closure of Share Transfer Books

The share transfer books of the Company will remain closed from **October 20, 2018 to October 27, 2018** (both days inclusive). Transfers received in order by the Shares Registrar of the Company, **M/s .F.D. Registrar Services (SMC-Pvt.) Ltd.** 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000 up to the close of business on **October 19, 2018** will be treated in time for entitlement of the dividend.

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-E-Dividend

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

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

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



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

CNIC numbers of shareholders are mandatorily required for dividend distribution. Shareholders are therefore requested to submit a copy of their CNIC (if not already provided) to the Share Registrar. In case of non-receipt of the copy of a valid CNIC, the company would be unable to comply with SRO 831(1)/2012 dated July 05, 2012 of SECP and therefore will be constrained under SECP order dated July 13, 2015 to withhold the payment of dividend of such shareholders. The shareholders while sending CNIC must quote their respective folio number and name of the Company.

6- Deduction of Income Tax from Dividend U/s 150 of the Income Tax ordinance, 2001

(i) The rates of deduction of income tax from dividend payments under the Income Tax Ordinance, 2001 are as follows:

1. For filer of income tax return 15%
2. For non-filers of income tax return 20%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 20%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 20% instead of 15%.

(ii) Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to **M/s .F.D. Registrar Services (SMC-Pvt.) Ltd**, by the first day of Book Closure.

(iii) Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Shares 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).

(iv) For any query/problem/information, the investors may contact the Company Secretary at phone: 021-32440371 and email address htm1951@hotmail.com and/or **F.D. Registrar Services (SMC-Pvt.) Ltd**. at phone: 021-32271905-6 and email address: fdregisrar@yahoo.com

(v) 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 **F.D. Registrar Services (SMC-Pvt.) Ltd**. 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 20% may be applied in such cases.

7- E. Financial Statements

8. Pursuant to Notification vide SRO.787(1)/2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. www.colgate.com.pk Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 1 MB file in size. Further, it is the responsibility of the member to timely update the Share Registrar of any change in the registered e-mail address.



Directors Report

We would start with the name of **Almighty Allah** the most Gracious, and Merciful and also thanking **Almighty Allah** for gifting us a supervision and guidance of our beloved **Prophet Muhammad-Bin-Abdullah** (Peace be Upon Him). The Board of Director of your company are pleasure to present the **67th Annual Report** together with the audited financial statements of your company and auditor's report thereon for the year ended June 30, 2018.

Operating Results	2018	2017
	(Rupees)	(Rupees)
Net profit before taxation	19,061,730	22,310,105
Taxation	2,109,096	2,322,745
Net profit before taxation	16,952,634	19,987,360
Appropriation:		
Proposed Final Dividend 17.5% (2017: 15%)	2,100,000	1,800,000
Transfer to reseves	14,852,634	18,187,360
Earning per share	14.13	16.66

Review:

This year bring some sigh of relief for textile sector as export rises around 9% to \$13.5 billion in current fiscal year. This increase in export leads to drive some sustainable advantage for stable composite units. Subsequently, the decline in value of money and rise in petroleum prices and of election 2018, would witness some mixed experience in the sector. If the present newly formed government will successfully sustain and boost the confidence of business community with respect to textile sector, then this would be a good opportunity to accumulate the export figures, ultimately suitable for economic growth.

Progress of Company:

As your company has still looking for better opportunities, especially with respect to textile core businesses. Till then, company is currently working on warehouse business, in an effort to making your companies sustain till the economy factors shall become more lucrative. As of change of nature of business has been done, because to let their investors or stakeholder should at least get some rewards in form of dividends when the sector was invulnerable position.

Future Outlook:

With the confidence of our shareholder, we are continuously looking for best possible arena for revenue generation and for this we seriously in discussion with our management team and associated bodies to work on some business like either to invest in the stock market, or to work on property business, or any other business that are feasible. We are also in consideration to visit China, and work on feasibility on different areas like: either to trade, or have some business collaboration with China. These all aspects are seriously the matter of under consideration of the board of directors of your company. We also intimate our stakeholders that to be in line with current regulations, we also nominate two of our directors in Director Training Program 2018.

Dividend:

The Board of Director of your company has announced the final dividend of 17.5% i.e. Rs.1.75 per share for the year ended June 2018 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, 2019.

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 2017 is enclosed.

No. of Board Meeting:

The statement showing the attendance of Directors in BOD meetings and the Audit Committee meetings is as under;

No.	Name of Directors	Number of BOD Meetings		
		Held	Attended	Leave Granted
1	Mr.FakhruddinUsmani	5	5	0
2	Mr. QuamruddinOsmani	5	5	0
3	Mr. Muhammad FarooqUsmani	5	5	0
4	Mr.MahmoodWali Muhammad	5	5	0
5	Mr. Muhammad Atiq	5	5	0
6	Mr. Ali Muhammad Usmani	5	5	0
7	Mr. Muhammad Shahzad Fakir	5	5	0

Audit and Human Resource Committees

The board in compliance with the code of corporate governance has constituted as audit committee as well as human resource committee comprising of the following members:

Audit Committee		Human Resource Committee	
Mr. QuamruddinOsmani	Chairman	Mr. Ali Muhammad Usmani	Chairman
Mr.MuhammadFarooqUsmani	Member	Mr. FakruddinUsmani	Member
Mr. mahmoodWali Muhammad	Member	Mr. QuamruddinOsmani	Member

During the year under review, the committee 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.

QuamruddinOsmani
Chairman

FakhruddinUsmani
Chief Executive Officer

Karachi:
3rdOctober, 2018

ڈائریکٹران کی رپورٹ

ہم اللہ رب العزت کے نام سے شروع کرتے ہیں جو بڑا مہربان، نہایت رحم والا اور اللہ رب العزت کے شکر گزار ہیں کہ اس نے ہمیں پیغمبر محمد بن عبد اللہ (ﷺ) کی نگرانی اور رہنمائی عطا فرمائی۔

کمپنی کے بورڈ آف ڈائریکٹرز اپنی 67 ویں سالانہ رپورٹ کے ساتھ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز کی رپورٹ برائے ختمہ سال 30 جون 2018 پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

2017	2018	مالیاتی نتائج
(روپے)	(روپے)	
22,310,105	19,061,730	خالص منافع قبل از ٹیکس
2,322,745	2,109,096	ٹیکس
19,987,360	16,952,634	خالص منافع بعد از ٹیکس
		مصارف منافع
1,800,000	2,100,000	مجوزہ حتمی منافع منقسمہ 17.5 فیصد (2017: 15 فیصد)
18,187,360	14,852,634	ذخائر میں منتقلی
16.66	14.13	منافع فی حصص

جائزہ

اس سال کے دوران ٹیکسٹائل سیکٹر نے کچھ سکھ کا سانس لیا کیونکہ برآمدات میں تقریباً 9 فیصد اضافے کے ساتھ موجودہ مالیاتی سالی میں 13.5 بلین ڈالر تک پہنچ گئی تھیں۔ برآمدات میں اضافے کی وجہ سے مستحکم کاروباری یونٹوں کو مزید پائیداری ملی۔ بعد ازاں، کرنسی کی قدر میں کمی اور پیٹرولیم مصنوعات اور 2018 کے انتخابات کی وجہ سے اس سیکٹر میں ملاحلا رجحان دیکھا گیا۔ اگر موجودہ نئی حکومت کامیابی سے مستحکم ہو جائے اور ٹیکسٹائل شعبہ سے متعلق کاروباری برادری کے اعتماد میں اضافہ کرے تو پھر یہ برآمدی ہندسوں کو بڑھانے کے لئے بہت اچھا موقع فراہم کرے گی، جسے کے نتیجے میں معاشی ترقی ہوگی۔

کمپنی کی کارکردگی

آپ کی کمپنی اب بھی بہتر مواقعوں کی تلاش میں ہے، خاص طور پر ٹیکسٹائل کے بنیادی کاروبار کے لئے۔ کمپنی ابھی تک گودام کے کاروبار میں مصروف عمل ہے اور یہ کاروبار اس وقت تک کمپنی کو استحکام فراہم کرے گا جب تک معاشی عناصر پر کشش نہ ہونگے۔ کاروباری نوعیت تبدیل ہو چکی ہے تاہم اس نازک صورتحال میں بھی سرمایہ کاری یا حصص یافتگان منافع منقسمہ کی شکل میں کسی حد تک منفعت کے لئے کوشاں ہیں۔

مستقبل کی پیش بینی

حصص یافتگان کے اعتماد کے ساتھ ہم مسلسل آمدنی بڑھانے کے ممکنہ مواقعوں کو تلاش کر رہے ہیں اور اس کے لئے ہم انتظامیہ اور متعلقہ اداروں کے ساتھ ساتھ سنجیدگی سے گفت و شنید کر رہے ہیں تاکہ کچھ سرمایہ کاری اسٹاک مارکیٹ میں کی جائے یا کسی دیگر قابل عمل کاروبار کا آغاز کیا جائے۔ ہم چاہنا ہے کہ پرغور کر رہے ہیں اور مختلف قابل عمل طریقوں پر کام کر رہے ہیں کہ یا تو تجارت کی جائے یا چاہنا سے کوئی کاروباری معاونت حاصل کی جائے۔ آپ کی کمپنی کے بورڈ آف ڈائریکٹرز ان تمام پہلوؤں پر سنجیدگی سے غور کر رہے ہیں۔ ہم تمام حصص یافتگان کو مطلع کرنا چاہتے ہیں کہ موجودہ ضابطوں کے مطابق ہم نے اپنے دو ڈائریکٹران کو ڈائریکٹرز بتی پروگرام 2018 کے لئے نامزد کر دیا ہے۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے کمپنی کے حصص یافتگان کے لئے سال ختمہ 30 جون 2018 کے لئے 17.5 فیصد یعنی Rs.1.75 فی حصص کے حساب سے حتمی منافع منقسمہ کا اعلان کیا ہے۔



آڈیٹرز

موجودہ آڈیٹرز میسرز آزر زام ایف اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔ آڈٹ کمیٹی کی تجویز پر بورڈ نے کمپنی کے ان کی آڈیٹرز برائے پختہ سال 30 جون 2019 کے لئے تقرری سفارش کی ہے۔

حصص داری کی ساخت

کمپنیز ایکٹ 2017 کی مطلوبات کے مطابق تفصیلی حصص داری کی ساخت اور ادارتی نظم و ضبط 2017 کی پاسداری سے متعلق بیان منسلک ہے۔

بورڈ کے اجلاسوں کی تعداد

مندرجہ ذیل گوشوارے میں بورڈ آف ڈائریکٹرز کے اجلاسوں اور آڈٹ کمیٹی کے اجلاسوں میں حاضری کی تعداد بتائی گئی ہے:

نمبر شمار	ڈائریکٹران کے نام	منعقدہ	حاضری	رخصت کی منظوری
۱	جناب فخر الدین عثمانی	5	5	0
۲-	جناب قمر الدین عثمانی	5	5	0
۳-	جناب محمد فاروق عثمانی	5	5	0
۴-	جناب محمود ولی محمد	5	5	0
۵-	جناب محمد عتیق	5	5	0
۶-	جناب علی محمد عثمانی	5	5	0
۷-	جناب محمد شہزاد فقیر	5	5	0

آڈٹ اور انسانی وسائل کمیٹی

بورڈ نے ادارتی نظم و ضبط کے ضابطہ کی پاسداری کرتے ہوئے آڈٹ کمیٹی کے ساتھ انسانی وسائل کمیٹی تشکیل بھی تشکیل دی ہے جن کے ممبران درج ذیل ہیں:


آڈٹ کمیٹی		انسانی وسائل کمیٹی	
جناب قمر الدین عثمانی	چیئر مین	جناب علی محمد عثمانی	چیئر مین
جناب محمد فاروق عثمانی	ممبر	جناب فخر الدین عثمانی	ممبر
جناب محمود ولی محمد	ممبر	جناب قمر الدین عثمانی	ممبر


جائزہ سال کے دوران کمیٹی کے افعال تسلی بخش اور ادارتی نظم و ضبط کے ضابطہ کے مطابق رہے۔

اعتراف

آخر میں ہم اللہ رب العزت سے دعا گو ہیں کہ وہ ایسے پروجیکٹ کو منتخب کرنے میں ہماری رہنمائی کرے جو کہ نہ صرف قابل عمل ہوں بلکہ اس کی نوعیت بھی شفاف ہو۔ ہمارے ساتھ رہنے پر ہم اپنے تمام مستفیدان کے مشکور ہیں اور ہم آپ کو یقین دلاتے ہیں کہ حافظہ کبھی بھی آپ کے اعتماد کو ٹھیس نہیں پہنچائے گی۔

برائے و منجانب بورڈ


فخر الدین عثمانی
چیف ایگزیکٹو آفیسر


قمر الدین عثمانی
چیئر مین

کراچی: ۳ اکتوبر ۲۰۱۸



KEY OPERATING & FINANCIAL RESULTS FROM 2013 TO 2018

PARTICULARS	2018	2017	2016	2015	2014	2013
(Rupees in thousands)						

OPERATING DATA

Sales (Net)	13,654	12,289	12,193	12,251	9,218	12,210
Cost of Sales	-	-	-	-	-	-
Gross Profit / (Loss)	-	-	-	-	-	-
Operating Expenses	6,178	5,611	5,887	5,380	4,564	6,132
Operating Profit / (Loss)	7,476	6,678	6,306	6,871	4,565	6,078
Financial Charges	24	17	71	19	26	6
Gain on change in fair value of investment property	11,511	15,649	22,771	12,973	16,657	-
Profit/ (Loss) Before Taxation	19,062	22,310	29,768	19,747	21,285	6,072
Profit/ (Loss) After Taxation	16,953	19,987	28,425	16,515	18,905	4,879

FINANCIAL DATA

Paid up Capital	12,000	12,000	12,000	12,000	12,000	12,000
Equity Balance	386,617	371,449	353,244	326,595	311,909	295,395
Long Term Loans	56,635	58,986	61,501	65,001	65,256	71,456
Fixed Assets (Net)	457,238	445,644	430,769	407,346	393,155	376,940
Current Assets	9,925	8,513	6,654	9,241	6,578	10,422
Current Liabilities	11,601	11,425	10,393	12,705	10,307	8,276

KEY RATIOS

Gross Margin	-	-	-	-	-	-
Operating Margin	-	-	-	-	-	-
Net Profit	40%	35%	46%	29%	24%	40%
Return on Capital Employed	1.66%	1.50%	1.64%	1.68%	1.19%	1.60%
Current Ratio	0.86	0.75	0.64	0.73	0.64	1.26
Earning per share (Rupees)	14.13	16.66	23.69	13.76	15.75	4.07
Cash Dividend	17.50%	15%	15%	15%	15%	20%



Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

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

For the year ended : 30TH JUNE, 2018.

The company has complied with the requirements of the Regulations in the following manner:

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

- a. Male: **Seven**
- b. Female: **None**

2. The composition of board is as follows:

- a) Independent Directors
QuamruddinOsmani
Muhammad FarooqUsmani
MahmoodWali Muhammad
Muhammad Atiq
Ali Muhammad Usmani
Muhammad Shahzad Fakir
FakhruddinUsmani
- b) Other Non-executive Director
- c) Executive Directors

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by 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 Board has not arranged Directors' Training program for the Directors.



10. The board has approved appointment of CFO, 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. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

- a) Audit Committee (Name of members and Chairman)
- | | |
|------------------------------|-------------------|
| QuamruddinOsmani | - Chairman |
| Muhammad FarooqUsmani | - Member |
| MahmoodWali Muhammad | - Member |
- b) HR and Remuneration Committee (Name of members and Chairman)
- | | |
|----------------------------|-------------------|
| Ali Muhammad Usmani | - Chairman |
| QuamruddinOsmani | - Member |
| FakhruddinUsmani | - Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

- | | |
|----------------------------------|------------------------------------|
| a) Audit Committee | Four Quarterly Meeting |
| b) HR and Remuneration Committee | One Meeting during the year |

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are 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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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 other requirements of the Regulations have been complied with.


FakhruddinUsmani
CEO



REVIEW REPORT ON THE STATEMENT OF COMPLIANCE FOR A LISTED ENTITY CONTAINED IN (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

To the members of Hafiz Limited

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Hafiz Limited (the Company) for the year ended June 30, 2018 in accordance with the requirements of regulation 40 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 June 30, 2018.

MAZARS M.F. & CO.
Chartered Accountants

Place: Karachi

Date: 3rd October, 2018.



INDEPENDENT AUDITORS' 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 June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and 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, and 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 June 30, 2018 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 *Auditors' 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.

S.No	Key audit matter	How the matter was addressed in our audit
1	The fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of annual financial statements.	We reviewed and understood the requirements of the Fourth Schedule to the Companies Act, 2017. Our audit procedures included the following:



	<p>As part of this transition to the requirements, the management performed a gap analysis to identify differences between the previous and the current Fourth Schedule and as a result certain amendments relating to presentation and disclosures were made in the Company's annexed financial statements.</p> <p>In view of the various new disclosures presented in the financial statements, we considered this as a key audit matter.</p>	<ul style="list-style-type: none">- Considered the management's process to identify the additional disclosures required in the Company's financial statements;- Obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence; and- Verified on test basis the supporting evidence for the additional disclosure and ensured appropriateness of the disclosures made.
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Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements and our auditors' 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.

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

Auditors' 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 auditors' 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 auditors' 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.

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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter(s)

The financial statements of the Company for the year ended June 30, 2017 were audited by another firm of chartered accountants; whose report dated October 02, 2017 expressed an unqualified opinion on those financial statements.

The engagement partner on the audit resulting in this independent auditors' report is Hussaini Fakhruddin.

Place: Karachi

Date: 3rd October, 2018.

MAZARS M.F. & CO.
Chartered Accountants



**BALANCE SHEET
AS AT JUNE 30, 2018**

	Note	2018	2017
------(Rupees)-----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	4,214,436	4,131,379
Investment property	6	453,023,692	441,512,475
Long term investments- quoted	7	1	1
		457,238,129	445,643,855
Current assets			
Stores and spares	8	-	-
Trade debts	9	783,600	544,320
Loans and advances	10	60,000	-
Deposits and income tax	11	4,058,398	3,957,629
Cash and bank balances	12	5,023,403	4,010,740
		9,925,401	8,512,689
Net assets in Bangladesh	13	1	1
Total assets		467,163,531	454,156,545
EQUITY AND LIABILITIES			
Capital and Reserves			
Authorized 2,000,000 (2017: 2,000,000) ordinary shares of Rs.10/- each		20,000,000	20,000,000
Issued, subscribed and paid-up	14	12,000,000	12,000,000
Reserves		443,251,503	430,434,578
		455,251,503	442,434,578
Non Current Liability			
Deferred liability	15	311,412	296,874
		311,412	296,874
Current Liabilities			
Trade and other payable	16	5,924,492	6,106,707
Unclaimed dividend		2,804,210	2,411,534
Provision for taxation		2,871,914	2,906,852
		11,600,616	11,425,093
Contingencies and commitments	17	-	-
Total equity and liabilities		467,163,531	454,156,545

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

Karachi
3rd Oct., 2018.

Muhamad Shahid Siddiqui
CFO

Fakhruddin Usmani
CEO

Kumaruddin Osmani
Director

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 ------(Rupees)-----	2017
Rental income		13,654,416	12,289,324
Administrative expenditure	18	(6,178,260)	(5,611,099)
Financial charges	19	(23,858)	(17,159)
		(6,202,118)	(5,628,258)
		7,452,298	6,661,066
Gain on change in fair value of investment property	6	11,511,217	15,649,039
Other income	20	98,215	-
		19,061,730	22,310,105
Taxation	21	(2,109,096)	(2,322,745)
		16,952,634	19,987,360
Earnings per share	22	14.13	16.66

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

Karachi
3rd Oct., 2018.


Muhamad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Qumaruddin Osmani
Director



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
Note	------(Rupees)-----	
Profit for the year	16,952,634	19,987,360
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be subsequently reclassified to profit or loss		
-Remeasurement of net defined benefit liability	15,191	17,228
	15,191	17,228
Total comprehensive income for the year	16,967,825	20,004,588

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

Karachi
3rd Oct., 2018.


Muhamad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Kumaruddin Osmani
Director



**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018**

	2018	2017
Note	------(Rupees)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	19,061,730	22,310,105
Depreciation	505,170	774,648
Provision for gratuity	29,729	28,747
Gain on change in fair value of investment property	(11,511,218)	(15,649,039)
Other income	(98,215)	-
Financial charges	23,858	17,159
	(11,050,676)	(14,828,485)
Operating profit before working capital changes	8,011,054	7,481,620
Movement in Working Capital		
(Increase)/decrease in current assets		
Trade debts	(239,280)	(213,920)
Deposits	(27,158)	-
Loans and advances	(60,000)	-
	(326,438)	(213,920)
Increase / (decrease) in current liabilities		
Unclaimed dividend	392,676	104,200
Trade and other payable	(182,215)	794,988
	210,461	899,188
Cash generated from operations	7,895,077	8,166,888
Payments for:		
Taxes	(2,610,320)	(2,729,027)
Financial charges	(23,858)	(17,159)
Net cash inflow from operating activities	5,260,899	5,420,702
CASH FLOW FROM INVESTING ACTIVITIES		
Proceed from sale of fixed assets	500,000	-
Capital expenditure	(990,012)	-
Net cash outflow from investing activities	(490,012)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Loan repaid to directors	(2,350,900)	(2,515,000)
Dividend paid	(1,407,324)	(1,904,200)
Net cash outflow from financing activities	(3,758,224)	(4,419,200)
Net increase in cash and bank balances	1,012,663	1,001,502
Cash and bank balances at beginning of the year	4,010,740	3,009,238
Cash and bank balances at end of the year	5,023,403	4,010,740



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018**

	Reserves					Total equity
	Capital	Revenue		Total reserves		
	Interest free loan from directors - 4.18	Unappropriated (loss) / profit	Fair value reserve for investment property			
Share capital						
Balance as at July 01, 2017	12,000,000	61,500,805	(18,508,209)	371,752,394	414,744,990	426,744,990
Balance as at July 01, 2016.	12,000,000		(18,508,209)	371,752,394	414,744,990	426,744,990
Total comprehensive income for the year	-	-	20,004,588	-	20,004,588	20,004,588
Repayment of loan	-	(2,515,000)	-	-	(2,515,000)	(2,515,000)
Final dividend for the year ended June 30, 2016 @ Rs.1.50 per share i.e. 15%.	-	-	(1,800,000)	-	(1,800,000)	(1,800,000)
Balance as at June 30, 2017	12,000,000	58,985,805	(303,621)	371,752,394	430,434,578	442,434,578
Total comprehensive income for the year	-		16,967,825	-	16,967,825	16,967,825
Repayment of loan	-	(2,350,900)	-	-	(2,350,900)	(2,350,900)
Final dividend for the year ended June 30, 2017 @ Rs.1.5 per share i.e. 15%	-		(1,800,000)	-	(1,800,000)	(1,800,000)
Balance as at June 30, 2018	12,000,000	56,634,905	14,864,204	371,752,394	443,251,503	455,251,503

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

Karachi
3rd Oct., 2018.

Muhamad Shahid Siddiqui
CFO

Fakhruddin Usmani
CEO

Kumaruddin Osmani
Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND OPERATIONS

Hafiz Limited (the Company) is a public limited company incorporated in 1951 under the repealed Companies Ordinance, 1984. The shares of the Company are listed on the Pakistan Stock Exchange. The registered office and business units of the Company is situated at 97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi. 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.

2. STATEMENT OF COMPLIANCE AND SIGNIFICANT ESTIMATES

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting Standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies herein below.

2.3 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

2.3.1 Amendments to published standards effective in current year

The following standards, amendments and interpretations are effective for the year ended June 30, 2018. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments / Interpretation

Effective date (accounting periods beginning on or after)

IAS 7 Statement of Cash Flows - Disclosure Initiative

July 01, 2017

IAS 12 Income Taxes

July 01, 2017

2.3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.



Standards / Amendments / Interpretation	Effective date (accounting periods beginning on or after)
Amendments to IFRS 9 'Financial Instruments' - Clarification on the classification and measurement of financial assets and liabilities.	July 1, 2018
Amendments to IFRS 15 'Revenue From Contracts with Customers' - Recognition and measurement of revenue from contracts.	July 1, 2018
Amendments to IFRS 16 'Lease' - Recognition of leases on balance sheet.	January 1, 2019
Amendments to IFRIC 22 'Foreign Currency Transactions' - Clarification on the date of foreign currency transactions.	January 1, 2018
Amendments to IFRS 2 'Share Based Payments' - Classification and Measurement of Share Based Payment Transactions	January 1, 2018
Amendments to IFRS 9 'Prepayment Features with Negative Compensation'	January 1, 2018
Amendments to IFRS 10 'Consolidated Financial Statements and IAS 24 Investment in Associates and Joint Ventures: Sale or Combination of Assets between Investor and its Associate or Joint Venture	Not yet finalized
Amendments to IFRS 4 'Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	January 1, 2018
Amendments to IFRS 40 Investment Property: Transfers of Investment Property	January 1, 2018
Amendments to IAS 19 Plan Amendments, Curtailment or Settlement	January 1, 2019
Amendments to IAS 28 Long-term interest in Associates and Joint Ventures	January 1, 2019
Amendments to IFRIC 22 Foreign Currency Transaction and Advance Consideration	January 1, 2018
Amendments to IFRIC 23 Uncertainty Over Income Tax Treatments	January 1, 2019

3. ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective policies and notes given hereunder.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

4.1 Property, Plant and Equipment

4.1.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation provided on a diminishing balance method at the rates mentioned in the relevant note except for lease hold land which is amortized on a straight line basis. Depreciation is charged from the date the asset is put into operation and discontinued from the date the asset is retired.

Gain and loss on disposal of assets are included in the profit and loss account currently.



4.1.2 Subsequent costs

The costs of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably.

The carrying amount of the replaced part is derecognized. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as they are incurred.

4.1.3 Impairment of assets

The carrying amount of the Company's assets are reviewed at each balance sheet date to identify circumstances indicating concurrence of impairment loss or reversal of previous impairment losses. If any such indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversal of impairment losses are recognized in the profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

4.2 Investment property

Property held to earn rentals or for capital appreciation or for both is classified as investment property. Investment property comprises leasehold land and buildings on leasehold land. After initial recognition an investment property is carried at fair value and gain or loss arising from a change in the fair value of investment property is recognised in profit or loss for the period in which it arises.

The investment property of the Company has been valued by independent professionally qualified valuer as at June 30, 2018. The fair value of the investment property is based on active market prices.

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 of this item at the date of transfer is recognized in the equity as a revaluation reserve for investment property. However, if a fair value gain reverses a previous impairment loss the gain is recognized in the profit and loss account to the extent of impairment charged previously in the profit and loss account. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through the profit and loss account.

4.3 Investments

Considering the materiality of amount and non marketability of these shares on Stock Exchange , these have been valued at a token value of Re. 1 instead of market value as required by IAS-39.

4.4 Stores and Spares

Stores, spares and loose tools are valued at average cost except for items in transit which are stated at cost incurred up to the balance sheet date. For items which are slow moving and / or identified as surplus the Company's requirements, adequate provision is made for any excess book value over estimated realizable value. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence.

4.5 Stock in trade

Stock in trade is valued at the lower of cost and net realizable value

Cost incurred in bringing each product to its present location and condition are accounted for as follows:

Projected unit credit method, using following significant assumptions, is used for determining the liability.

Discount rate	7.25%
Expected rate of salary increase	6.25%

Mortality rates assumed were based on SLIC (2001-2005) mortality table.



Raw and packing material except in transit/bond
Finished goods and work in progress

at purchase cost on an average basis
average production cost which includes
cost of:
Direct material
Direct wages
Direct expenses
Overheads

Items in transit/bond are valued at cost comprising invoice values plus other charges incurred thereon up to the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred to make the sale.

Trading goods are accounted for on cost which is the invoice value plus other expenses incurred to bring them to the point of sale.

4.6 Trade debts

These are initially stated at fair value and subsequently measured at amortized cost using effective interest rate method less provisions for any uncollectible amounts. An estimate is made for doubtful receivables when collection of the amount is no longer probable. Debts considered irrecoverable are written off.

4.7 Trade and other payable

Trade and other amounts payable are recognized initially at fair value and subsequently carried at amortized cost.

4.8 Taxation

4.8.1 Current

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

4.8.2 Deferred

Deferred tax is recognized using the balance sheet liability method, providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.9 Retirement benefits

The company operates an unfunded gratuity scheme. Liability in respect of gratuity payable to employees has been fully provided for in these financial statements on the basis of actuarial valuation and is charged to profit and loss account. The latest actuarial valuation was carried out as at June 30, 2018. The amount arising as a result of remeasurements are recognised in the balance sheet immediately, with a charge or credit to other comprehensive income in the periods in which they occur.



4.10 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

4.11 Foreign currencies

Pakistan rupee (PKR) is the functional currency of the Company. Transaction in foreign currencies are recorded in PKR at the exchange rate approximating those prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are reported in PKR at the exchange rate approximating those prevalent at the balance sheet date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currencies, are translated using the exchange rates at the date when the fair value was determined. Foreign exchange gains and losses resulting from the settlement of such transactions and translations are taken to income currently.

4.12 Revenue recognition

Rental income is recognized on accrual basis.

4.13 Borrowing cost

Borrowing costs are recognized as an expense in the period they are incurred.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as a part of the asset.

4.14 Related party transactions

Transactions with related parties are carried out on commercial terms and conditions.

4.15 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents include cash in hand and with banks and other short term highly liquid investments with maturities of three months or less. The fair value of cash and cash equivalents approximate their carrying amount.

4.16 Financial assets and liabilities

All financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Any gain or loss on the recognition and de-recognition of the financial assets and financial liabilities is taken to the profit and loss account currently. Financial assets and liabilities, other than specifically mentioned in these policies, are carried at amortized cost. The fair value of these approximate their carrying value.

4.17 Off-setting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously and the same is required or permitted by IAS/IFRS or interpretations thereof.

4.18 Interest free loan from directors

According to technical release 32 issued by the Institute of Chartered Accountants of Pakistan (ICAP) according to which a 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 PROPERTY, PLANT AND EQUIPMENT

Description	Plant & machinery	Workshop tools and equipment	Electric fittings	Furniture and fixture	Office equipment	Vehicle	Total
------(Rupees)-----							
COST							
Balance as at 01 July 2016	55,327,036	466,091	2,649,199	1,081,836	1,328,424	4,550,651	65,403,237
Additions	-	-	-	-	-	-	-
Deletion	-	-	-	-	-	-	-
Balance as at 30 June 2017	55,327,036	466,091	2,649,199	1,081,836	1,328,424	4,550,651	65,403,237
Balance as at 01 July 2017	55,327,036	466,091	2,649,199	1,081,836	1,328,424	4,550,651	65,403,237
Additions	-	-	201,012	-	-	789,000	990,012
Deletion	-	-	-	-	-	(895,030)	(895,030)
Balance as at 30 June 2018	55,327,036	466,091	2,850,211	1,081,836	1,328,424	4,444,621	65,498,219
DEPRECIATION							
Balance as at 01 July 2016	53,879,889	460,666	2,575,997	916,989	953,457	1,710,212	60,497,210
Charge for the year	144,715	543	7,320	16,485	37,497	568,088	774,648
Balance as at 30 June 2017	54,024,604	461,209	2,583,317	933,474	990,954	2,278,300	61,271,858
Balance as at 01 July 2017	54,024,604	461,209	2,583,317	933,474	990,954	2,278,300	61,271,858
Charge for the year	130,243	488	20,993	14,836	33,747	304,863	505,170
Deletion	-	-	-	-	-	(493,245)	(493,245)
Balance as at 30 June 2018	54,154,847	461,697	2,604,310	948,310	1,024,701	2,089,918	61,283,783
CARRYING AMOUNT - 2017	1,302,432	4,882	65,882	148,362	337,470	2,272,351	4,131,379
CARRYING AMOUNT - 2018	1,172,189	4,394	245,901	133,526	303,723	2,354,703	4,214,436
RATE OF DEPRECIATION (%)	10%	10%	10%	10%	10%	20%	



5.2 Depreciation has been charged to:	2018	2017
Administrative expenditure	------(Rupees)----- 505,170	774,648

5.3 Details of disposal of fixed assets

Particulars	Original Cost	Accumulated Depreciation	Written down Value	Sales Proceeds	Profit / Loss	Sold to	Mode of disposal
	Rupees	Rupees	Rupees	Rupees	Rupees		
30-Jun-18	895,030	493,245	401,785	500,000	98,215	Mrs. Usra	Negotiation
30-Jun-18	895,030	493,245	401,785	500,000	98,215		

6 INVESTMENT PROPERTY

Description	Free hold land	Building on Free hold land	Total
COST ------(Rupees)-----			
Balance as at 01 July 2016 - Fair value	382,000,000	43,863,437	425,863,436
Additions to cost during the year:			
Revaluation gain / (loss)	16,000,000	(350,961)	15,649,039
Balance as at 30 June 2017 - Fair Value	398,000,000	43,512,476	441,512,475
Balance as at 01 July 2017 - Fair value	398,000,000	43,512,476	441,512,475
Additions to cost during the year:			
Revaluation gain / (loss)	12,000,000	(488,783)	11,511,217
Balance as at 30 June 2018 - Fair Value	410,000,000	43,023,693	453,023,692

6.1 Had there been no revaluation the written down values of revalued investment property (after providing depreciation if any) would have been as follows:	2018	2017
	------(Rupees)-----	
Free hold land	94,880,000	94,880,000
Building on Free hold land	2,464,084	2,678,352
	<u>97,344,084</u>	<u>97,791,252</u>

6.2 The forced Sale Value of the investment property is estimated as follows:	2018	2017
	------(Rupees)-----	
Free hold land	287,000,000	278,600,000
Building on Free hold land	30,116,585	30,458,733
	<u>317,116,585</u>	<u>309,058,733</u>

7 LONG TERM INVESTMENT - QUOTED

Pan Islamic Steamship Company Limited	16,137	16,137
288 (2017 : 288) Ordinary shares of Rs.100/- each		
Less : Provision for diminution in value of investments	(16,136)	(16,136)
	<u>1</u>	<u>1</u>

Considering the materiality of amount and no trading in Stock Exchange in these share, these have not been carried at market value as required by IAS-39. However full provision has been made leaving a token value of Rs. 1.



HAFIZ LIMITED

	2018	2017
	------(Rupees)-----	
8 STORES AND SPARES		
Stores	196,970	196,970
Spares	2,531,821	2,531,821
	2,728,791	2,728,791
Less: Provision for obsolete stock	(2,728,791)	(2,728,791)
	-	-
9 TRADE DEBTS		
Trade debts - unsecured considered good	2,796,397	2,557,117
Less: Provision against doubtful debts	(2,012,797)	(2,012,797)
	783,600	544,320
10 LOANS AND ADVANCES		
Advances to suppliers & other	3,867,863	3,807,863
Less: Provision against doubtful advances	(3,807,863)	(3,807,863)
	60,000	-
11 DEPOSITS AND INCOME TAX		
Deposits	148,846	121,688
Advance income tax	3,908,778	3,835,167
Tax refund due from government	774	774
	4,058,398	3,957,629
12 CASH AND BANK BALANCES		
At bank in current accounts	5,023,403	4,010,740
	5,023,403	4,010,740
13 NET ASSETS IN BANGLADESH		
Board Loan Unit	10,196,790	10,196,790
Deduct: Loan from PICIC and interest accrued thereon	(4,741,141)	(4,741,141)
	5,455,649	5,455,649
Investment: 712,500 (2017: 712,500) fully paid ordinary Shares of Rs.10/- each Hafiz Jute Mills Ltd.	7,125,000	7,125,000
Chittagong branch:		
Vehicles	106,085	106,085
Office equipment	24,319	24,319
Furniture and fixtures	3,641	3,641
	134,045	134,045
	12,714,694	12,714,694
Deducted: Accumulated depreciation	(44,389)	(44,389)
	12,670,305	12,670,305
Less: Provision made during 1986-87	(12,670,304)	(12,670,304)
	1	1



	Note	2018 ------(Rupees)-----	2017			
14 ISSUED, SUBSCRIBED AND PAID-UP						
395,000 (2017: 395,000) ordinary shares of Rs. 10/- each fully paid in cash		3,950,000	3,950,000			
105,000 (2017: 105,000) ordinary shares of Rs. 10/- each issued for consideration other than cash		1,050,000	1,050,000			
700,000 (2017: 700,000) ordinary shares of Rs. 10/- each issued as fully paid bonus shares		7,000,000	7,000,000			
		<u>12,000,000</u>	<u>12,000,000</u>			
15 DEFERRED LIABILITY- Gratuity						
Movement in net liability recognized						
Opening net liability		296,874	285,355			
Expense charge for the year	15.1	29,729	28,747			
Remeasurement gain on obligation		(15,191)	(17,228)			
		<u>311,412</u>	<u>296,874</u>			
Benefits paid during the year		-	-			
Closing net liability		<u>311,412</u>	<u>296,874</u>			
15.1 Expense charge for the year						
Current service cost		8,206	8,059			
Interest cost		21,523	20,688			
Expense for the year		<u>29,729</u>	<u>28,747</u>			
15.2 Historical information		2018	2017	2016	2015	2014
		------(Rupees)-----				
Present value of defined benefit obligation		311,412	296,874	296,874	285,355	235,622
Fair value of plan assets		-	-	-	-	-
Deficit in the plan		<u>311,412</u>	<u>296,874</u>	<u>296,874</u>	<u>285,355</u>	<u>235,622</u>
Unrecognised actuarial gain / (loss)		-	-	-	-	-
Liability in balance sheet		<u>311,412</u>	<u>296,874</u>	<u>296,874</u>	<u>285,355</u>	<u>235,622</u>
Remeasurement (gain)/loss on obligation		<u>(15,191)</u>	<u>(17,228)</u>	<u>(24,569)</u>	<u>(29,199)</u>	<u>8,714</u>

15.3 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
		-----Rupees-----	
Discount rate	1%	303,321	319,923
Salary growth rate	1%	319,923	303,170



The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognised within the balance sheet.

15.4 The average duration of the defined benefit obligation is 3 years.

	Note	2018 ------(Rupees)-----	2017 -----
16 TRADE AND OTHER PAYABLE			
Accrued liabilities		2,743,135	2,659,935
Deposits	16.1	2,379,648	2,770,917
Unearned rental income		307,294	181,440
War risk insurance premium	17.1.1	494,415	494,415
		<u>5,924,492</u>	<u>6,106,707</u>

16.1 All deposits are re-payable on demand and no interest is payable thereon.

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 The company has a contingent liability of 1.12 million in respect of "War Risk Insurance Dues" for the year 1971 imposed by Federation of Pakistan through its secretary commerce. The company has filed an appeal with High Court of Sindh and the case is still in progress. As a matter of prudence the company has provided a liability of 0.494 million.

17.1.2 During the year 1992, the company was served by a notice from High Court of Sindh in respect of termination of various employees. The notice says that company should pay 0.41 million as a compensation to them. The management is hopeful that the case will be decided in company's favour.

17.1.3 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 profit and loss account of the Company. The Company's appeal before SECP has dismissed but the Company has filed appeal before High Court of Sindh, since the outcome of the above appeal is pending and in view of the fact that management is confident that appeal will be decided in Company's favour, no provisions has been made in these financial statements relating to above appeal.

17.2 Commitments

There were no outstanding commitments as at June 30, 2018 (2017: Nil).



	Note	2018 ------(Rupees)-----	2017 ------(Rupees)-----
18 ADMINISTRATIVE EXPENDITURE			
Directors' remuneration	24	947,850	947,850
Salaries, bonus and benefits	18.1	497,729	496,747
Electricity expenses		711,395	653,059
Postage, telegram & telephone		242,123	156,320
Printing & stationery		167,766	154,383
Vehicle maintenance		493,310	282,700
Legal & professional charges		114,920	110,400
Auditor's remuneration	18.2	261,400	261,400
Fees & subscription		412,436	273,273
Rent, rates & taxes		376,202	406,617
Repairs & maintenance		958,767	773,830
Depreciation		505,170	774,648
Entertainment		438,612	231,772
Advertisement		50,580	38,100
Travelling expenses		-	50,000
		<u>6,178,260</u>	<u>5,611,099</u>
18.1	These include retirement benefits of Rs.29,729 (2017: 28,747).		
18.2	This includes:		
Annual audit fee		240,000	240,000
Half yearly review		11,400	11,400
Out of pocket		10,000	10,000
		<u>261,400</u>	<u>261,400</u>
19 FINANCIAL CHARGES			
Bank charges		<u>23,858</u>	<u>17,159</u>
20 OTHER INCOME			
Gain on sale of fixed assets		<u>98,215</u>	-
		<u>98,215</u>	-
21 TAXATION			
Current		(2,871,914)	(2,906,852)
Prior		762,818	584,107
		<u>(2,109,096)</u>	<u>(2,322,745)</u>
21.1 Relation between tax expense and accounting profit			
Profit before taxation		<u>19,061,730</u>	<u>22,310,105</u>
Tax rate		30%	31%
Tax on accounting profit		(5,718,519)	(6,916,133)
Tax effect of temporary differences arising due to alternate corporate tax.		2,846,605	4,009,281
Effect of change in prior years' tax		762,818	584,107
Tax charge		<u>(2,109,096)</u>	<u>(2,322,745)</u>



Management has provided sufficient tax provision in financial statement in accordance with Income Tax Ordinance, 2001. Following is the comparison of tax provision as per accounts vis a vis tax assessment for last three years

	Demeed assessment	Provision
	------(Rupees)-----	
Tax year 2017	2,144,034	2,967,645
Tax year 2016	2,086,098	2,906,852
Tax year 2015	2,113,773	2,670,205

22 EARNING PER SHARE**22.1 Basic earning per share**

Profit for the year	<u>16,952,634</u>	<u>19,987,360</u>
Weighted average number of ordinary shares in issue during the year	<u>1,200,000</u>	<u>1,200,000</u>
Earning per share	<u>14.13</u>	<u>16.66</u>

22.2 Diluted earning per share

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2018 and 2017 which would have any effect on the earnings per share if the option to convert is exercised.

23 DIRECTORS AND CHIEF EXECUTIVE EMOLUMENTS

	2 0 1 8		2 0 1 7	
	Chief Executive	Director	Chief Executive	Director
Remuneration	300,000	180,000	300,000	180,000
Utilities	175,000	292,850	175,000	292,850
	<u>475,000</u>	<u>472,850</u>	<u>475,000</u>	<u>472,850</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

No meeting fee is paid to any director and no remuneration is paid to any other director.

24 TRANSACTIONS WITH RELATED PARTIES

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

Details of transactions with related parties during the year were as follows:

Relationship	Nature of transactions	2 0 1 8	2 0 1 7
		------(Rupees)-----	
Director	Repayment of loan to director	<u>2,350,900</u>	<u>2,515,000</u>

25 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risk from its use of financial instruments:

- Credit risk
- Liquidity risk

**26 CREDIT RISK****26.1 Exposure to credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade debts, loans and advances, trade deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2018	2017
	------(Rupees)-----	
Deposits	148,846	121,688
Cash and bank balances	<u>5,023,403</u>	<u>4,010,740</u>
	<u>5,172,249</u>	<u>4,132,428</u>

26.2 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	2018					
	Carrying amount	Contractual cash flow	Six months or less	Six to twelve months	Two to five years	More than five years
Trade and other payable	5,924,492	5,924,492	5,924,492	-	-	-
Unclaimed dividend	2,804,210	2,804,210	2,804,210			
	<u>8,728,702</u>	<u>8,728,702</u>	<u>8,728,702</u>	-	-	-

	2017					
	Carrying amount	Contractual cash flow	Six months or less	Six to twelve months	Two to five years	More than five years
Trade and other payable	6,106,707	6,106,707	6,106,707	-	-	-
Unclaimed dividend	2,411,534	2,411,534	2,411,534			
	<u>8,518,241</u>	<u>8,518,241</u>	<u>8,518,241</u>	-	-	-

26.3 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair value.

26.4 CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue bonus / new shares.



27 SUBSEQUENT EVENT

In respect of current year, the directors have proposed to pay final cash dividend of Rs. 2.10 million (2017: 1.8 millions) at Rs.1.75 (2017: Rs.1.5) per ordinary share each for approval of the shareholders at the forthcoming Annual General Meeting to be held on October 24, 2018. Financial effect of the proposed dividend has not been taken in these financial statements and will be accounted for subsequently in the year when such dividend is approved.

28 NUMBER OF EMPLOYEES

2018 **2017**
------(Numbers)-----

The total number of employees for the year

 1 1

Average number of employees during the year

 1 1

29 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
i) Loans and advances - asset	Non-interest bearing
ii) Deposits - liability	Non-interest bearing
iii) Bank balances	All bank accounts are maintained under conventional banking system
iv) Relationship with Shariah compliant banks	Company does not have any relationship with bank under Islamic windows of operations

30 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on 3rd October, 2018 by the Board of Directors of the Company.

31 GENERAL

Figures have been rounded off to the nearest rupee.

Karachi
3rd Oct., 2018.


Muhamad Shahid Siddiqui
CFO


Fakhruddin Usmani
CEO


Kumaruddin Osmani
Director



FORM - "34"

Pattern of holding of shares held by the share holders as on 30th June, 2018.

No. of shareholders	From	To	Share Value Rs.10/- each
741	1	100	34,422
140	101	500	32,960
23	501	1000	18,569
28	1001	5000	67,672
9	5001	10000	65,293
3	10001	15000	38,855
2	15001	20000	37,065
4	20001	25000	92,310
13	25001	30000	340,205
3	30001	35000	100,342
7	35001	40000	254,151
1	115001	120000	118,156
974			1,200,000

Categories of Share Holders	No. of Share Holders	Shares Held	%
Directors, Chief Executive Officer and their spouse and minor	20	417,158	34.75%
Associated Companies, Undertakings and related parties	1	118,156	9.84%
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	0.01%
Share Holders Holding 10%	-	-	0.00%
General Public	941	659,956	55.00%
Others (Joint Stock Companies)	3	2,144	0.18%
	974	1,200,000	100.00%

Directors, Chief Executive Officer and their spouse and minor children				
Mr. Fakhruddin Usmani	1	36,000	3.00%	
Mr. Quamruddin Usmani	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 Atiq	1	35,835	2.99%	
Mr. Ali Muhammad Usmani	1	11,906	0.99%	
Mr. Muhammad Shahzad Fakir	1	20,000	1.67%	
Mrs. Sabra Fakhruddin	(Spouse of Directors & CEO)	1	30,362	2.53%
Mrs. Zahida Quamruddin	(Spouse of Directors & CEO)	1	27,455	2.29%
Mrs. Nasreen Farooq	(Spouse of Directors & CEO)	1	25,831	2.15%
Mrs. Parveen Mahmood	(Spouse of Directors & CEO)	1	21,598	1.80%
Mrs. Rukiya Atiq	(Spouse of Directors & CEO)	1	21,612	1.80%
Mrs. Noor Fatima	(Spouse of Directors & CEO)	1	24,700	2.05%
Miss. Kashf	(Minor Children of Directors & CEO)	1	5,476	0.46%
Miss. Javeria	(Minor Children of Directors & CEO)	1	5,021	0.42%
Miss. Resha	(Minor Children of Directors & CEO)	1	8,068	0.67%
Miss. Sanabil	(Minor Children of Directors & CEO)	1	9,000	0.74%
Miss. Rema	(Minor Children of Directors & CEO)	1	6,600	0.55%
Miss. Zynal Al Saba	(Minor Children of Directors & CEO)	1	7,100	0.58%
Mr. Shabbir Hassan	(Minor Children of Directors & CEO)	1	14,614	1.22%
	20	417,158	34.75%	

Associated Companies, Undertakings and			
Textile Trading Company Limited	1	118,156	9.84%

NIT and ICP			
Investment Corporation of Pakistan	1	1,203	0.10%
National Bank of Pakistan	1	1,023	0.09%
	2	2,226	0.19%

Banks, Development Finance Institutions, Non-Banking Finance Companies			
Habib Bank Ltd. KSE Br., Karachi	1	6	0.00%
HBL A/c A.G. Ismail	1	2	0.00%
HBL 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%
	5	140	0.01%

Insurance Companies			
Pakistan Insurance Corporation	1	200	0.02%

Mutual Fund			
H.M. Investment (Pvt) Limited	1	20	0.01%

General Public			
a) Local	941	659,956	55.00%
b) Foreign	-	-	0.00%
	941	659,956	55.00%

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%
	3	2,144	0.18%
	974	1,200,000	100.00%



Dear Shareholder,

NOTICE FOR UNCLAIMED SHARES / DIVIDENDS

Pursuant to the requirement of Section 244 of the Companies Act, 2017 (the "Act"), now all companies are required to surrender physical shares/dividends which remain unclaimed or unpaid for over three years, as on May 30, 2014, to the Federal Government.

As per Company's record, there are some outstanding / physical shares/ dividends in respect of your above mentioned folio/account.

You are hereby requested to immediately lodge your claim to our share Registrar or our registered office at following address within 90 days of date of this notice, along with relevant documents in support of your claim under a duly signed letter (in accordance with specimen signature recorded with the Company):

Share Registrar:

M/s F.D. Registrar Services (SMC-Pvt.) Ltd.
1705, 17th Floor, Saima Trade Tower 'A'
I. I. Chundrigar Road,
Karachi.
Tel # +92-21-32271905

or

Registered office:

Hafiz Limited
97, Alliance Building, 2nd Floor,
Moolji Street, Mereweather Tower,
Karachi.
Tel # +92-21-32440371

Please note that if the Company does not receive a claim from you within the aforesaid time period, then the Company shall proceed to deposit unclaimed physical shares / dividends in its possession, with the Federal Government pursuant to the provisions of sub section (2) of section 244 of the Act.

Sincerely

Company Secretary

HAFIZ LIMITED

Note: This is a computer generated letter hence does not require any signature.



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)*

i) Shareholder's Detail	
Name of Company	
Name of shareholder	
Folio No/CDC Participants ID A/c No.	
CNIC No	
Passport No. (in case of foreign shareholder)**	
Land Line Phone Number	
Cell Number	

ii) Shareholder's Bank Detail	
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 **67th Annual General Meeting** of the Company to be held on
Wednesday, 24th October, 2018 at 11:30 a.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 #	
Participant I.D.	Account #

Signature on Five Rupees Revenue Stamps
The Signature should agree with the specimen register of the company

N.B.:

- 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.
- Original CNIC of shareholder is necessary to attend the AGM alongwith a photo copy of CNIC to submit at the desk of reception.
- For CDC Account Holders / Corporate Entities**
In addition to the above the following requirements have to be met.
 - Attested copies of C NIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - The proxy shall produce his original CNIC or original passport at the time of meeting.
 - 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).

Company Information 2018

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

Board of Audit Committee

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

Board of Human Resource Committee

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

Chief Financial Officer : *Muhammad Shahid Siddiqui*

Company Secretary : *S. Shafiq Hasan*

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

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

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

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

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

Webside : *www.hafiztm.com*

BOOK POST

UNDER POSTAL CERTIFICATE

If undelivered pleased return to:

HAFIZ LIMITED

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