

64th Annual Report 2015



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 four 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 **64th Annual General Meeting** of shareholders of the **HAFIZ LIMITED** will be held **Insha-Allah** on Wednesday, 28th October, 2015 at 9:00 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 Annual General Meeting held on 27th October, 2014.
2. To receive, consider and adopt the Annual Audited Accounts of the company for the year ended 30th June, 2015 together with the Directors' and Auditors' Reports thereon.
3. To approve as recommended by the directors, the payment of Cash Dividend @ 15% Rs.1.50 per share for the year ended 30th June, 2015.
4. To elect Seven (7) Directors as fixed by the Board of Directors in accordance with provisions of section 178 of the Companies Ordinance, 1984 for a term of three (3) years commencing from October 30, 2015. All retiring directors shall be eligible to offer themselves for re-election. The names of the retiring directors are:
  - i) Fakhruddin Usmani
  - ii) Quamruddin Usmani
  - 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, 2016 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: 6th October, 2015.

### Notes:

#### 1- Participation in the Annual General Meeting

A member entitled to attend and vote at this meeting is entitled to appoint another person as his/her proxy to attend and vote. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.

#### 2- CDC Account holders will further have to follow the under mentioned guidelines as laid down in Circular-1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan:

##### a) For attending the meeting

In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

In the case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

##### b) For appointing proxies

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall



be mentioned on the form.

- iii) Attested copies for CNIC or the passport of the beneficial owners and of the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v) In the case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

### **3- Closure of Share Transfer Books**

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from Wednesday, 21st October, 2015 to 30th October, 2015 (Both days inclusive). Transfers received in order at the Share Registrars' office by the close of business on Tuesday, 20th October, 2015 will be treated in time for the purpose of payment of final cash dividend, if approved by the Shareholders.

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

Members are requested to promptly notify any change in their addresses.

### **5- New Tax Implications on dividends**

Increased Tax Rates on Filers/Non-Filers

Through the Finance Act, 2015, enhanced rate of withholding tax on dividend amount has been prescribed in the Income Tax Ordinance, 2001, (Ordinance). New tax rates are as under:

#### **a) For Filers of Income Tax return 12.5%    b) For Non-Filers of Income Tax return 17.5%**

A 'filer' is a taxpayer, whose name appears in the Active Taxpayers List (ATL) issued by FBR, from time to time, whereas 'non-filer' is a person other than a 'filer'. FBR has uploaded an ATL on its web-site, which can be accessed at <http://fbr.gov.pk>.

The Company will check each shareholder's status on the latest ATL available at the first day of book closure and, if the shareholder's name does not appear on the ATL, the increased rate of withholding tax at 17.5% would be applied. In case of 'filer', withholding tax rate of 12.5% will be applicable.

The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to our Share Registrars, mentioning their Folio No. and the name of the Company.

### **Taxation for Joint Shareholders**

The FBR has clarified that where the shares are held in joint accounts/names, each account/joint holder will be treated individually as either a filer or a non-filer and tax will be deducted according to his/her shareholding. The shareholders, who are having joint shareholding status, are requested to kindly intimate their joint shareholding proportions to the Share Registrar of the Company M/s. MG Associates (Pvt.) Ltd. F-4/2, Mustafa Avenue, Block-9, Behind "THE FORUM", Clifton, Karachi latest by 21st October 2015 in the following format:

| <b>Folio/CDC A/c No.</b> | <b>Name of Shareholders (principle/joint holders)</b> | <b>No. of Shares or percentage (proportion)</b> | <b>CNIC No.</b> | <b>Signature</b> |
|--------------------------|---|---|-----------------|------------------|
|--------------------------|---|---|-----------------|------------------|

### **6-CNIC copy to process dividend warrant in future**

CNIC of the shareholders is mandatory in terms of the directive of the SECP contained in SRO 831(1)2012 dated July 05, 2012 for the issuance of future dividend warrants etc. and in the absence of CNIC copy, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore the shareholders who have not yet provided their CNIC's are once again advised to provide the attested copies of their CNICs (if not already provided) directly to our independent share Registrar without any further delay.

## *DIRETORS REPORT*

"We would start with the name of **Almighty Allah** - the most Gracious, and Merciful, and again thanks **Almighty Allah** for sending us such a precious gift in the form of our beloved **prophet Muhammad** (peace be upon him), whose teaching and life style always being a reason of success in life and hereafter."

The Board of Directors of your company are pleased to present the 64th Annual Report together with audited financial statements of your company and auditors' report thereon for the year ended June 30, 2015.

| <b>Operating Results:</b>   | <b>2015</b>     | <b>2014</b>     |
|-----------------------------|-----------------|-----------------|
|                             | <b>(Rupees)</b> | <b>(Rupees)</b> |
| Net profit before taxation  | 19,746,600      | 21,285,735      |
| Taxation                    | 3,231,211       | 2,380,561       |
| Net profit after taxation   | 16 ,515,389     | 18,905,174      |
| Appropriations:             |                 |                 |
| Proposed Final Dividend 15% | 1,800,000       | 1,800,000       |
| Transfer to reserves        | 14,715,389      | 17,105,174      |
| Earnings per share          | 13.76           | 15.75           |

### **Overview:**

The Foreign Direct Investment (FDI) Strategy sets out roadmap to promote FDI and proposes broadly defined action programs for attracting FDI into Pakistan. To maximize the contributions of FDI to Pakistan's economic development, this FDI Strategy furthermore envisages special programs to promote the linkages between domestically and foreign private enterprises, such as local supplier, sub-contractor or joint venture programs.

Number of factors like long march / dharna, energy shortages, and war against extremism remained obstacles in attracting FDI against potential of the country. Now situation is improving as the present government has launched comprehensive plan to create investment friendly environment & to attract foreign investors in the country. Consequently, revival of investor's confidence has been captured in better returns on investment in the Karachi stock market. The market continued its upward trend reaching to all time high. KSE 100 witnessed its highest level in the history.

### **Future Outlook:**

Pakistan is the world's 4th largest producer and 3rd largest consumer of cotton. The Textile and Clothing Industry has been the main driver of the economy for the last 50 years in terms of foreign currency earnings and jobs creation. The Textile and Clothing Industry will continue to be an important engine for future growth of the economy; there is no alternative industry or service sector that has the potential to benefit the economy with foreign currency earnings and new job creation, especially if synergy is developed amongst different sub sectors and efforts are made to aggressively grow the Ready-made Clothing Sector. Pakistan's Textile Industry had proved its strength in global market during the last four decades.



The management is trying to overcome the difficulties and problems of the company and to generate adequate profit to make reasonable returns on shareholders equity.

**Dividend:**

The Board of Director of your company has announced the final dividend of 15% i.e. Rs.1.50 per share for the year ended June 2015 to the shareholders of the company.

**Auditors:**

The present auditors M/s. Moochhala Gangat & 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, 2016.

**Pattern of shareholding:**

The Pattern of shareholding and the additional information as required by the Code of Corporate Governance is enclosed.

**No. of Board Meeting:**

During the year under review, six meeting of the board of directors were held and the attendance of directors was as under:

| <b>Name of Directors</b> | <b>No. of Meeting attended</b> |
|--------------------------|--------------------------------|
| Fakhruddin Usmani        | 6                              |
| Quamruddin Usmani        | 6                              |
| Muhammad Farooq Usmani   | 5                              |
| Mahmood Wali Muhammad    | 5                              |
| Muhammad Atiq            | 6                              |
| Ali Muhammad Usmani      | 6                              |
| Muhammad Shahzad Fakir   | 5                              |

However, leaves of absence were granted to the directors who could not attend the Board Meeting due to preoccupation.

**Audit Committee:**

The board in compliance with the Code of corporate Governance has constituted an audit committee comprising of the following members:

Quamruddin Usmani  
Muhammad Farooq Usmani  
Mahmood Wali Muhammad

During the year under review, the committee has performed its functions satisfactory and in accordance with the Code of corporate Governance.

**Code of Corporate Governance:**

We are in compliance with all the code of good corporate governance, which we think should be applicable to a company, which is not in production and has negligible activities. But the directors are doing their best efforts to comply the provisions set out by the Securities and Exchange Commission of Pakistan in near future. As regard the review it the same is concerned, in order to save the company from more expenditure the same was not offered for review to the statutory auditors.

**Appreciation:**

Your Directors wish to place on record their appreciation to all the stakeholders and employees for their unstinted support and significant contributions towards the growth of the company. The Board of Directors expects to receive the similar support and contribution from everyone in future also.

FOR AND ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to be 'F.U.', written over a white background.

**Fakhruddin Usmani**

Chief Executive Officer

Karachi:

6th October, 2015.



## KEY OPERATING & FINANCIAL RESULTS FROM 2010 TO 2015

| PARTICULARS  | 2015                   | 2014    | 2013    | 2012     | 2011     | 2010     |
|--|------------------------|---------|---------|----------|----------|----------|
|  | ( Rupees in thousands) |         |         |          |          |          |
| <b>OPERATING DATA</b>                                  |                        |         |         |          |          |          |
| Sales (Net)  | 12,251                 | 9,218   | 12,210  | 12,071   | 9,448    | 8,098    |
| Cost of Sales  | -                      | -       | -       | -        | -        | -        |
| Gross Profit / (Loss)                                  | -                      | -       | -       | -        | -        | -        |
| Operating Expenses                                     | 5,380                  | 4,564   | 6,132   | 5,454    | 4,933    | 4,121    |
| Operating Profit / (Loss)                              | 6,871                  | 4,654   | 6,078   | 6,617    | 4,515    | 3,977    |
| Financial Charges                                      | 19                     | 26      | 6       | 18       | 22       | 15       |
| Gain on change in fair value<br>of investment property | 12,973                 | 16,657  | -       | -        | -        | -        |
| Profit/ (Loss) Before Taxation                         | 19,747                 | 21,285  | 6,072   | 8,014    | 4,493    | 3,962    |
| Profit/ (Loss) After Taxation                          | 16,515                 | 18,905  | 4,879   | 6,826    | 3,451    | 3,370    |
| <b>FINANCIAL DATA</b>                                  |                        |         |         |          |          |          |
| Paid up Capital  | 12,000                 | 12,000  | 12,000  | 12,000   | 12,000   | 12,000   |
| Equity Balance   | 326,595                | 311,909 | 295,395 | (80,533) | (88,468) | (91,726) |
| Long Term Loans  | 65,001                 | 65,256  | 71,456  | 73,022   | 78,272   | 82,722   |
| Fixed Assets (Net)                                     | 407,346                | 393,155 | 376,940 | 86,423   | 87,247   | 88,997   |
| Current Assets   | 9,241                  | 6,578   | 10,422  | 5,888    | 4,087    | 3,376    |
| Current Liabilities                                    | 12,705                 | 10,307  | 8,276   | 6,853    | 7,463    | 7,249    |
| <b>KEY RATIOS</b>                                      |                        |         |         |          |          |          |
| Gross Margin   | -                      | -       | -       | -        | -        | -        |
| Operating Margin                                       | -                      | -       | -       | -        | -        | -        |
| Net Profit   | 29%                    | 24%     | 40%     | 57%      | 37%      | 42%      |
| Return on Capital Employed                             | 1.68%                  | 1.19%   | 1.60%   | 9.38%    | 5.36%    | 4.65%    |
| Current Ratio  | 0.73                   | 0.64    | 1.26    | 0.86     | 0.55     | 0.47     |
| Earning per share (Rupees)                             | 13.76                  | 15.75   | 4.07    | 5.69     | 2.88     | 2.81     |
| Cash Dividend  | 15%                    | 15%     | 20%     | 15%      | -        | -        |



**STATEMENT OF COMPLIANCE**

**WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE**

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.35 of listing regulations of Karachi Stock Exchange (guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

| Category                | Names   |
|-------------------------|---|
| Independent Directors   | Mr. Quamruddin Usmani   |
| Executive Directors     | Mr. Fakhruddin Usmani   |
| Non-Executive Directors | Mr. Muhammad Farooq Usmani<br>Mr. Mahmood Wali Muhammad<br>Mr. Muhammad Atiq<br>Mr. Ali Muhammad Usmani<br>Mr. Muhammad Shahzad Fakir |

The independent directors meet the criteria of independent under clause i(b) of the CCG.

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

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. During the year, no casual vacancy was occurred and filled up in the board.

5. 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.

6. 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.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/ shareholders.

8. 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 and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The board arranged nil training programs for its directors during the year.

10. There was no new appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

11. The directors' report for this year has been prepared in compliance with the requirements of the

CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The board has formed an Audit Committee. It comprises of three members, of whom all are non-executive directors and the chairman of the committee is an independent director.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed an HR and Remuneration Committee. It comprises of three members, of whom all are non-executive directors and the chairman of the committee is a non-executive director.

18. The board has set up an effective internal audit function.

19. 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, 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.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23. All related party transactions during the year were on arm's length basis and these have been placed before the Audit Committee and Board of Directors. These transactions are duly reviewed and approved by the Audit Committee and Board of Directors along with pricing method.

24. We confirm that all other material principles enshrined in the CCG have been complied with.



**Fakhruddin Usmani**  
Chief Executive Officer

Karachi:  
6th October, 2015.

## *AUDITORS' REPORT TO THE MEMBERS*

We have audited the annexed balance sheet of **HAFIZ LIMITED** ("the Company") as at **June 30, 2015** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that;

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and the statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affair as at June 30, 2015 and of the profit, for the year then ended; and
- d) in our opinion 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.

Further we draw attention of the members' toward the fact that the "Statement of Compliance with Best Practices of Corporate Governance" has not been offered for review to us.

**Moochhala Gangat & Co.**  
Chartered Accountants  
Karachi  
Date: 6th October, 2015.

Audit engagement partner:  
**Mr. Hussaini Fakhruddin**



## BALANCE SHEET AS ON JUNE 30, 2015

| ASSETS                              | Note | 2015                      | 2014                      |
|-------------------------------------|------|---------------------------|---------------------------|
|                                     |      | ----- (Rupees) -----      |                           |
| <b>Non-current assets</b>           |      |                           |                           |
| Property, plant and equipment       | 5    | 4,253,855                 | 3,036,633                 |
| Investment property                 | 6    | 403,092,184               | 390,118,728               |
| Long term investments- quoted       | 7    | 1                         | 1                         |
| Deferred tax                        | 8    | -                         | -                         |
|                                     |      | <u>407,346,040</u>        | <u>393,155,362</u>        |
| <b>Current assets</b>               |      |                           |                           |
| Stores and spares                   | 9    | -                         | -                         |
| Trade debts                         | 10   | 3,589,785                 | -                         |
| Loans and advances                  | 11   | -                         | -                         |
| Deposits and income tax             | 12   | 2,638,117                 | 1,538,768                 |
| Cash and bank balances              | 13   | 3,013,058                 | 5,039,611                 |
|                                     |      | <u>9,240,960</u>          | <u>6,578,379</u>          |
| Net assets in Bangladesh            | 14   | 1                         | 1                         |
| <b>Total assets</b>                 |      | <u><u>416,587,001</u></u> | <u><u>399,733,742</u></u> |
| <b>EQUITY AND LIABILITIES</b>       |      |                           |                           |
| <b>Capital and Reserves</b>         |      |                           |                           |
| Authorized<br>of Rs.10/- each       |      | <u>20,000,000</u>         | <u>20,000,000</u>         |
| Issued, subscribed and paid-up      | 15   | 12,000,000                | 12,000,000                |
| Reserves                            |      | <u>326,594,919</u>        | <u>311,908,730</u>        |
|                                     |      | <u>338,594,919</u>        | <u>323,908,730</u>        |
| <b>Non Current Liabilities</b>      |      |                           |                           |
| Loan from directors                 | 16   | 65,000,805                | 65,255,805                |
| Deferred liabilities                | 17   | 275,232                   | 261,712                   |
|                                     |      | <u>65,276,036</u>         | <u>65,517,517</u>         |
| <b>Current Liabilities</b>          |      |                           |                           |
| Trade and other payable             | 18   | 9,275,393                 | 7,906,926                 |
| Provision for taxation              |      | <u>3,440,652</u>          | <u>2,400,569</u>          |
|                                     |      | <u>12,716,045</u>         | <u>10,307,495</u>         |
| Contingencies and commitments       | 19   | -                         | -                         |
| <b>Total equity and liabilities</b> |      | <u><u>416,587,001</u></u> | <u><u>399,733,742</u></u> |

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

  
Fakhruddin Usmani  
CEO

  
Quamruddin Usmani  
Director

## PROFIT AND LOSS ACCOUNT

### FOR THE YEAR ENDED JUNE 30, 2015

|   | Note | 2015<br>----- (Rupees) ----- | 2014        |
|---|------|------------------------------|-------------|
| Rental income                                       |      | 12,251,476                   | 9,217,842   |
| Administrative expenditure                          | 20   | (5,380,167)                  | (4,563,561) |
| Financial charges                                   | 21   | (19,353)                     | (25,656)    |
|   |      | (5,399,520)                  | (4,589,217) |
| Gain on change in fair value of investment property | 6    | 12,973,457                   | 16,657,110  |
| Gain on sale of Fixed Assets                        |      | 323,478                      | -           |
| Workers welfare fund                                |      | (402,291)                    | -           |
| Profit before taxation                              |      | 19,746,600                   | 21,285,735  |
| Taxation  | 22   | (3,231,211)                  | (2,380,561) |
| Profit after taxation                               |      | 16,515,389                   | 18,905,174  |
| Earnings per share                                  | 23   | 13.76                        | 15.75       |

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



Fakhruddin Usmani  
CEO



Quamruddin Usmani  
Director

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED JUNE 30, 2015

|  | 2015                        | 2014              |
|--|-----------------------------|-------------------|
| Note   | -----( <i>Rupees</i> )----- |                   |
| Profit for the year  | 16,515,389                  | 18,905,174        |
| <b>Other Comprehensive Income:</b>   |                             |                   |
| <b>Items that may be reclassified subsequently to profit or loss</b>       | -                           | -                 |
| <b>Items that will not be subsequently reclassified to profit or loss:</b> |                             |                   |
| -Remeasurement of net defined benefit liability                            | (29,199)                    | 8,714             |
|  | (29,199)                    | 8,714             |
| <b>Total comprehensive income for the year</b>                             | <b>16,486,190</b>           | <b>18,913,888</b> |

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

  
 Fakhruddin Usmani  
 CEO

  
 Quamruddin Usmani  
 Director

## CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2015

|  | 2015                | 2014                |
|--|---------------------|---------------------|
|  | ------(Rupees)----- |                     |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>             | Note                |                     |
| Profit before taxation                                 | 19,746,600          | 21,285,735          |
| Depreciation   | 689,286             | 441,625             |
| Provision for gratuity                                 | 42,719              | 34,804              |
| Gain on change in fair value of investment property    | (12,973,457)        | (16,657,110)        |
| Gain on sale of fixed assets                           | (323,478)           | -                   |
| Financial charges                                      | 19,353              | 25,656              |
|  | <u>(12,545,577)</u> | <u>(16,155,025)</u> |
| Operating profit before working capital changes        | 7,201,023           | 5,130,710           |
| <b>Movement in Working Capital</b>                     |                     |                     |
| <b>(Increase)/decrease in Current Assets</b>           |                     |                     |
| Trade debts  | (3,589,785)         | -                   |
|  | <u>(3,589,785)</u>  | <u>-</u>            |
| <b>Increase / (decrease) in Current Liabilities</b>    |                     |                     |
| Trade and other payable                                | 1,368,467           | 582,486             |
|  | <u>1,368,467</u>    | <u>582,486</u>      |
| Cash generated from operations                         | 4,979,705           | 5,713,196           |
| <b>Payments for:</b>                                   |                     |                     |
| Taxes  | (3,751,715)         | (1,285,648)         |
| Financial charges                                      | (19,353)            | (25,656)            |
| Net cash inflow from operating activities              | <u>1,208,637</u>    | <u>4,401,892</u>    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>             |                     |                     |
| Proceed from sale of fixed assets                      | 830,000             | -                   |
| Fixed capital expenditure                              | (2,413,030)         | -                   |
| Net cash (outflow) from investing activities           | <u>(1,583,030)</u>  | <u>-</u>            |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>             |                     |                     |
| Loan from directors                                    | (255,000)           | (6,200,000)         |
| Dividend paid  | (1,397,160)         | (2,145,113)         |
| Net cash (outflow) from financing activities           | (1,652,160)         | (8,345,113)         |
| <b>Net increase in cash and bank balances</b>          | (2,026,553)         | (3,943,221)         |
| <b>Cash and bank balances at beginning of the year</b> | 5,039,611           | 8,982,832           |
| <b>Cash and bank balances at end of the year</b>       | <u>3,013,058</u>    | <u>5,039,611</u>    |

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

  
 Fakhruddin Usmani  
 CEO


  
 Quamruddin Usmani  
 Director


## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2014

|  | Reserves          |                        |   | Total equity       |                    |
|--|-------------------|------------------------|---|--------------------|--------------------|
|  | Share Capital     | Un-appropriated (loss) | Revaluation reserve for investment property |                    | Total Reserves     |
| <b>Balance as at June 30, 2013</b>                                       | <b>12,000,000</b> | <b>(76,357,552)</b>    | <b>371,752,394</b>                          | <b>295,394,842</b> | <b>307,394,842</b> |
| Total comprehensive income for the year                                  | -                 | 18,913,888             | -   | 18,913,888         | 18,913,888         |
| Final dividend for the year ended June 30, 2013.<br>- @ Rs. 2 per share  | -                 | (2,400,000)            | -   | (2,400,000)        | (2,400,000)        |
| <b>Balance as at June 30, 2014</b>                                       | <b>12,000,000</b> | <b>(59,843,664)</b>    | <b>371,752,394</b>                          | <b>311,908,730</b> | <b>323,908,730</b> |
| Total comprehensive income for the year                                  | -                 | 16,486,190             | -   | 16,486,190         | 16,486,190         |
| Final dividend for the year ended June 30, 2014<br>- @ Rs. 1.5 per share | -                 | (1,800,000)            | -   | (1,800,000)        | (1,800,000)        |
|  | <b>12,000,000</b> | <b>(45,157,474)</b>    | <b>371,752,394</b>                          | <b>326,594,919</b> | <b>338,594,919</b> |

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

  
 Fakhruddin Usmani  
 CEO

  
 Quamruddin Usmani  
 Director



# NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED JUNE 30, 2015

## 1. LEGAL STATUS AND OPERATIONS

Hafiz Limited (the Company) is a public limited Company incorporated in 1951 under the Companies Ordinance, 1984. The shares of the Company are listed on the Karachi Stock Exchange. The registered office of the Company is situated at 97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi. Last year company has changed the name and nature of its business. Previously the principal activity of the company was to deal in spinning of textile fibers and now the principal activity of the company is to earn rentals on land and building.

## 2. 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 Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 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 Standards, amendments to approved accounting standards and interpretations effective in current year

New and amended standards and interpretations mandatory for the first time for the financial year beginning July 1, 2014:

(a) IAS 32 (Amendments), 'Financial instruments: presentation'. These amendments update the application guidance in IAS 32, 'Financial instruments: presentations', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet date. The application of these amendments has no material impact on the Company's financial statements.

(b) IAS 36 (Amendment), 'Impairment of assets'. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The application of these amendments has no material impact on the Company's financial statements.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2014 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

#### 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 new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2014 and have not been early adopted by the Company:

| Standard, Interpretation or Amendment                         | Effective date (annual periods beginning on or after) |
|---|---|
| IAS 27 Separate financial statements (Amendments)             | January 1, 2015                                       |
| IFRS 10 Consolidated financial statements (Amendments)        | January 1, 2015                                       |
| IFRS 11 Joint Arrangements                                    | January 1, 2015                                       |
| IFRS 12 Disclosure of interest in other entities (Amendments) | January 1, 2015                                       |
| IFRS 13 Fair value measurements                               | January 1, 2015                                       |

The company expects that the adoption of the above amendments and interpretation will not effect its financial statements in the period of initial application.

In addition to the above amendments and interpretations, improvements to the following accounting standards have also been issued by IASB. Such improvements are generally effective for accounting periods beginning on or after July 01, 2014

| Standard or Interpretation | Effective date (annual periods beginning on or after) |
|----------------------------|---|
|----------------------------|---|



|        |  |              |
|--------|--|--------------|
| IFRS 8 | Operating segments                           | July 1, 2014 |
| IAS 16 | Property, plant and equipments - (Amendment) | July 1, 2014 |
| IAS 38 | Intangible assets - (Amendment)              | July 1, 2014 |
| IAS 24 | Related party disclosure                     | July 1, 2014 |
| IAS 40 | Investment property                          | July 1, 2014 |

## **2.4 SIGNIFICANT ESTIMATES**

The preparation of financial statements in conformity with approved accounting standards require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are discussed in the ensuing paragraphs.

### **2.4.1 Property, plant and equipment**

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis.

### **2.4.2 Taxation**

In making the estimates for income taxes payable by the Company, the management consider the applicable taxation laws.

## **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 / revalued amounts less accumulated depreciation. Depreciation is provided on a diminishing balance method at the rate mentioned in the relevant note. An amount equal to the incremental depreciation charged during the year on revalued assets is transferred from surplus on revaluation of fixed assets to reserves. 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, 2015. 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:

|   |   |  |
|---|---|--|
| Raw and packing material except in transit/bond | - | At purchase cost on an average basis   |
| Finished goods and work in progress             | - | Average production cost which includes cost of: <ul style="list-style-type: none"><li>- Direct material</li><li>- Direct wages</li><li>- Direct expenses</li><li>- Overheads</li></ul> |

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



accounts 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, 2015. 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.

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

Discount rate 9%  
 Expected rate of salary increase 8%  
 No. of employees as at June 30, 2015 is one (2014: one)

**4.10 Provisions**

Provision 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. Provision 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.

|   |                                      | 2 0 1 5   | 2 0 1 4            |
|---|--------------------------------------|-----------|--------------------|
| 5 | <b>PROPERTY, PLANT AND EQUIPMENT</b> | Note      | —————(Rupees)————— |
|   | Operating fixed assets               | 4,253,855 | 3,036,633          |

## 5.1 OPERATING FIXED ASSETS

| Description                       | Owned Assets      |                              |                   |                       |                  |                  | Total             |
|-----------------------------------|-------------------|------------------------------|-------------------|-----------------------|------------------|------------------|-------------------|
|                                   | Plant & machinery | Workshop tools and equipment | Electric fittings | Furniture and fixture | Office equipment | Vehicle          |                   |
| <b>COST</b>                       |                   |                              |                   |                       |                  |                  |                   |
| Balance as at 01 July 2013        | 55,327,036        | 466,091                      | 2,649,199         | 1,006,336             | 1,165,787        | 2,359,546        | 62,973,995        |
| <b>Balance as at 30 June 2014</b> | <b>55,327,036</b> | <b>466,091</b>               | <b>2,649,199</b>  | <b>1,006,336</b>      | <b>1,165,787</b> | <b>2,359,546</b> | <b>62,973,995</b> |
| Balance as at 01 July 2014        | 55,327,036        | 466,091                      | 2,649,199         | 1,006,336             | 1,165,787        | 2,359,546        | 62,973,995        |
| Additions                         | -                 | -                            | -                 | -                     | 83,000           | 2,330,030        | 2,413,030         |
| Deletion                          | -                 | -                            | -                 | -                     | -                | (980,000)        | (980,000)         |
| <b>Balance as at 30 June 2015</b> | <b>55,327,036</b> | <b>466,091</b>               | <b>2,649,199</b>  | <b>1,006,336</b>      | <b>1,248,787</b> | <b>3,709,576</b> | <b>64,407,025</b> |
| <b>DEPRECIATION</b>               |                   |                              |                   |                       |                  |                  |                   |
| Balance as at 01 July 2013        | 53,341,924        | 458,649                      | 2,548,785         | 878,144               | 846,684          | 1,421,552        | 59,495,738        |
| Charge for the year               | 198,511           | 744                          | 10,041            | 12,819                | 31,910           | 187,599          | 441,625           |
| <b>Balance as at 30 June 2014</b> | <b>53,540,435</b> | <b>459,393</b>               | <b>2,558,826</b>  | <b>890,963</b>        | <b>878,594</b>   | <b>1,609,151</b> | <b>59,937,362</b> |
| Balance as at 01 July 2014        | 53,540,435        | 459,393                      | 2,558,826         | 890,963               | 878,594          | 1,609,151        | 59,937,362        |
| Charge for the year               | 178,660           | 670                          | 9,037             | 11,537                | 35,775           | 453,607          | 689,286           |
| <b>Balance as at 30 June 2015</b> | <b>53,719,095</b> | <b>460,063</b>               | <b>2,567,863</b>  | <b>902,500</b>        | <b>914,369</b>   | <b>1,589,280</b> | <b>60,153,170</b> |
| <b>CARRYING AMOUNT - 2014</b>     | <b>1,786,601</b>  | <b>6,698</b>                 | <b>90,373</b>     | <b>115,373</b>        | <b>287,193</b>   | <b>750,395</b>   | <b>3,036,633</b>  |
| <b>CARRYING AMOUNT - 2015</b>     | <b>1,607,941</b>  | <b>6,028</b>                 | <b>81,336</b>     | <b>103,836</b>        | <b>334,418</b>   | <b>2,120,296</b> | <b>4,253,855</b>  |
| <b>RATE OF DEPRECIATION (%)</b>   | 10%               | 10%                          | 10%               | 10%                   | 10%              | 20%              |                   |



**6 INVESTMENT PROPERTY**

| Description                                     | Free hold land     | Building on Free hold land | Total             |
|---|--------------------|----------------------------|-------------------|
| <b>COST:</b>                                    |                    |                            |                   |
| Balance as at 01 July, 2013 - Fair Value        | 326,000,000        | 47,461,618                 | 47,461,618        |
| Addition to cost during the year:               |                    |                            |                   |
| - Revaluation Gain                              | 14,000,000         | 2,657,110                  | 2,657,110         |
| <b>Balance as at 30 June, 2014 - Fair Value</b> | <b>340,000,000</b> | <b>50,118,728</b>          | <b>50,118,728</b> |
| Balance as at 01 July, 2014 - Fair Value        | 340,000,000        | 50,118,728                 | 50,118,728        |
| Addition to cost during the year:               |                    |                            |                   |
| - Revaluation Gain                              | 20,000,000         | (7,026,543)                | (7,026,543)       |
| <b>Balance as at 30 June, 2015 - Fair Value</b> | <b>360,000,000</b> | <b>43,092,185</b>          | <b>43,092,185</b> |

**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:

|                            | 2015                | 2014              |
|----------------------------|---------------------|-------------------|
|                            | ------(Rupees)----- |                   |
| Free hold land             | 94,880,000          | 94,880,000        |
| Building on Free hold land | 3,138,671           | 3,386,304         |
|                            | <u>98,018,671</u>   | <u>98,266,304</u> |

**7 LONG TERM INVESTMENT - QUOTED**

|   |          |          |
|---|----------|----------|
| Pan Islamic Steamship Company Limited                   | 16,137   | 16,137   |
| 288 (2014 : 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.

**8 DEFERRED TAX**

The balance of deferred tax is in respect of the following major temporary taxable / (deductible) differences:

|   |                    |                    |
|---|--------------------|--------------------|
| Investment property - Building on lease hold land | 1,948,815          | 2,971,730          |
| Accelerated tax depreciation                      | (20,602)           | 596,331            |
| Stores and spares                                 | (873,213)          | (900,501)          |
| Trade debts                                       | (644,095)          | (664,223)          |
| Loans and advances                                | (1,218,516)        | (1,256,595)        |
| Gratuity  | (88,074)           | (86,365)           |
| Unused tax losses                                 | (8,832,813)        | (7,682,566)        |
|   | <u>(9,728,498)</u> | <u>(7,022,188)</u> |

The company has not recognized deferred tax asset of Rs. 9.743 million (2014: 7.02 million) in accordance with the accounting policy as disclosed in note 4.8.2.

**9 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) |
|                                    | <u>-</u>    | <u>-</u>    |

|   | 2015                | 2014              |
|---|---------------------|-------------------|
| <b>10 TRADE DEBTS</b>   | ------(Rupees)----- |                   |
| Trade debts - unsecured considered good   | 5,602,582           | 2,012,797         |
| Less: Provision against doubtful debts  | (2,012,797)         | (2,012,797)       |
|   | <u>3,589,785</u>    | <u>-</u>          |
| <b>11 LOANS AND ADVANCES</b>  |                     |                   |
| Advances to suppliers & other   | 3,807,863           | 3,807,863         |
|   | <u>3,807,863</u>    | <u>3,807,863</u>  |
| Less: Provision against doubtful advances   | (3,807,863)         | (3,807,863)       |
|   | <u>-</u>            | <u>-</u>          |
| <b>12 DEPOSITS AND INCOME TAX</b>   |                     |                   |
| Deposits  | 121,688             | 121,688           |
| Advance income tax  | 2,515,655           | 1,285,648         |
| Tax refund due from government  | 774                 | 131,432           |
|   | <u>2,638,117</u>    | <u>1,538,768</u>  |
| <b>13 CASH AND BANK BALANCES</b>  |                     |                   |
| At bank in current accounts   | 3,013,058           | 5,039,611         |
|   | <u>3,013,058</u>    | <u>5,039,611</u>  |
| <b>14 NET ASSETS IN BANGLADESH</b>  |                     |                   |
| Board Loan Unit   | 10,196,790          | 10,196,790        |
| Deduct: Loan from PICIC and interest accrued thereon  | 4,741,141           | 4,741,141         |
|   | <u>5,455,649</u>    | <u>5,455,649</u>  |
| Investment: 712,500 (2014: 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             |
|   | <u>134,045</u>      | <u>134,045</u>    |
|   | 12,714,694          | 12,714,694        |
| Deducted: Accumulated depreciation  | 44,389              | 44,389            |
|   | <u>12,670,305</u>   | <u>12,670,305</u> |
| Less: Written off during 1986-87  | (12,670,304)        | (12,670,304)      |
|   | <u>1</u>            | <u>1</u>          |
| <b>15 ISSUED, SUBSCRIBED AND PAID-UP</b>  |                     |                   |
| 395,000 (2014:395,000) ordinary shares of Rs. 10/- each fully paid in cash                            | 3,950,000           | 3,950,000         |
| 105,000 (2014:105,000) ordinary shares of Rs. 10/- each issued for consideration other than cash      | 1,050,000           | 1,050,000         |
| 700,000 (2014:700,000) 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> |
| <b>16 LOAN FROM DIRECTORS</b>   |                     |                   |
| - unsecured and considered good   |                     |                   |
| This represents unsecured interest free loan from directors and it is not repayable on demand.        |                     |                   |



|   |   | 2015                | 2014           |
|---|---|---------------------|----------------|
|   |   | ------(Rupees)----- |                |
| <b>17 DEFERRED LIABILITIES - Gratuity</b> |   |                     |                |
|   | <b>Movement in net liability recognized</b> |                     |                |
|   | Opening net liability                       | 261,712             | 235,622        |
|   | Expense charge for the year                 | 42,719              | 34,804         |
|   | Remeasurement (gain) on obligation          | (29,199)            | (8,714)        |
|   |   | <u>275,232</u>      | <u>261,712</u> |
|   | Benefits paid during the year               | -                   | -              |
|   | Closing net liability                       | <u>275,232</u>      | <u>261,712</u> |
| <b>17.1 Expense charge for the year</b>   |   |                     |                |
|   | Current service cost                        | 8,042               | 11,242         |
|   | Interest cost                               | 34,677              | 23,562         |
|   | Expense for the year                        | <u>42,719</u>       | <u>34,804</u>  |

| <b>17.1 Historical Information</b>          | 2015           | 2014           | 2013           | 2012 | 2011 |
|---|----------------|----------------|----------------|------|------|
| Present value of defined benefit obligation | 275,232        | 261,712        | 235,622        | -    | -    |
| Fair value of plan assets                   | -              | -              | -              | -    | -    |
| Deficit in the plan                         | 275,232        | 261,712        | 235,622        | -    | -    |
| Liabilities in balance sheet                | <u>275,232</u> | <u>261,712</u> | <u>235,622</u> | -    | -    |
| Remeasurement (gain) on obligation          | (29,199)       | 8,714          | -              | -    | -    |

|                                   |      |                  |                  |
|-----------------------------------|------|------------------|------------------|
| <b>18 TRADE AND OTHER PAYABLE</b> |      |                  |                  |
| Creditors                         |      | 1,147,103        | 1,147,103        |
| Accrued liabilities               |      | 2,521,635        | 2,110,591        |
| Unclaimed dividend                |      | 2,110,512        | 1,707,672        |
| Advance from customers            |      | -                | -                |
| Deposits                          | 18.1 | 2,599,437        | 2,447,145        |
| War risk insurance premium        |      | 494,415          | 494,415          |
| Workers welfare fund              |      | 402,291          | -                |
|                                   |      | <u>9,275,393</u> | <u>7,906,926</u> |

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

**19 CONTINGENCIES AND COMMITMENTS**

**19.1 Contingencies**

- 19.1.1 The company has a contingent liability of 1.12 million in respect of "War Risk Insurance Dues" for the year 1971 imposed by Federation of Pakistan through its secretary commerce. The company has filed an appeal with High Court of Sindh and the case is still in progress. As a matter of prudence the company has provided a liability of 0.4 million.
- 19.1.2 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 in their favour.
- 19.1.3 During the year 2010, SECP vide its order EMD/233/253/2002-1 131 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.







**24 DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVE EMOLUMENTS**

|                   | 30-Jun-15       |                | 30-Jun-14       |                |
|-------------------|-----------------|----------------|-----------------|----------------|
|                   | Chief Executive | Executive      | Chief Executive | Executive      |
| 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 | 1               | 1              | 1               | 1              |

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

**25 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        | 2015              | 2014      |
|--------------|-------------------------------|-------------------|-----------|
|              |                               | -----(Rupees)---- |           |
| Director     | Repayment of loan to director | 255,000           | 6,200,000 |

**26 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

**27 CREDIT RISK**

**27.1 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:

|                        | 2015             | 2014             |
|------------------------|------------------|------------------|
| -----(Rupees)----      |                  |                  |
| Deposits               | 121,688          | 121,688          |
| Cash and bank balances | 3,013,058        | 5,039,611        |
|                        | <u>3,134,746</u> | <u>5,161,299</u> |

**27.2 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:

|                         |                        | 2015               |                      |                   |                      |   |
|-------------------------|------------------------|--------------------|----------------------|-------------------|----------------------|---|
| Carrying Amount         | Contractual cash flows | Six months or less | Six to twelve months | Two to five years | More than five years |   |
| Loan from directors     | 65,255,805             | (65,255,805)       | -                    | -                 | (65,255,805)         | - |
| Trade and other payable | 9,263,993              | (9,262,993)        | (9,263,993)          | -                 | -                    | - |
|                         | 74,519,798             | (74,518,798)       | (9,263,993)          | -                 | (65,255,805)         | - |

|                         |                        | 2014               |                      |                   |                      |   |
|-------------------------|------------------------|--------------------|----------------------|-------------------|----------------------|---|
| Carrying Amount         | Contractual cash flows | Six months or less | Six to twelve months | Two to five years | More than five years |   |
| Loan from directors     | 65,255,805             | (65,255,805)       | -                    | -                 | (65,255,805)         | - |
| Trade and other payable | 7,906,926              | (7,906,926)        | (7,906,926)          | -                 | -                    | - |
|                         | 73,162,731             | (73,162,731)       | (7,906,926)          | -                 | (65,255,805)         | - |

### 27.3 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.

### 27.4 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.

### 28 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on 6th October, 2015 by the Board of Directors of the Company.

### 29 SUBSEQUENT EVENT

In respect of current year, the directors have proposed to pay final cash dividend of Rs. 1.8 millions (2014: 1.8 millions) at Rs. 1.50 (2014: Rs.1.50) per ordinary share each for approval of the shareholders at the forthcoming Annual General Meeting to be held on October 28, 2015. 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.

### 30 GENERAL

Figures have been rounded off to the nearest rupee.

  
 Fakhruddin Usmani  
 CEO

  
 Quamruddin Usmani  
 Director



**FORM - "A"**

*Pattern of holding of shares held by the share holders as on 30th June, 2015.*

| No. of shareholders | From   | To     | Share Value<br>Rs.10/- each |
|---------------------|--------|--------|-----------------------------|
| 695                 | 1      | 100    | 34,111                      |
| 145                 | 101    | 500    | 33,823                      |
| 24                  | 501    | 1000   | 19,161                      |
| 24                  | 1001   | 5000   | 60,308                      |
| 10                  | 5001   | 10000  | 70,327                      |
| 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  | 255,337                     |
| 1                   | 115001 | 120000 | 118,156                     |
| <b>931</b>          |        |        | <b>1,200,000</b>            |

| Categories of Share Holders   | No. of Share Holders | Shares Held      | %              |
|---|----------------------|------------------|----------------|
| Associated Companies  | 1                    | 118,156          | 9.85%          |
| Mutual Fund   | 1                    | 20               | 0.00%          |
| NIT and ICP   | 2                    | 2,226            | 0.19%          |
| Directors, CEO and their spouse and minor children  | 20                   | 417,158          | 34.75%         |
| Public Sector Companies and Corporations  | 3                    | 2,144            | 0.18%          |
| Banks, Development Finance Institutions, Non-banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds | 6                    | 340              | 0.03%          |
| Individuals   | 898                  | 659,956          | 55.00%         |
|   | <b>931</b>           | <b>1,200,000</b> | <b>100.00%</b> |

| Associated Companies            | No. of Share Holders | Shares Held | %     |
|---------------------------------|----------------------|-------------|-------|
| Textile Trading Company Limited | 1                    | 118,156     | 9.85% |

| Mutual Fund                   | No. of Share Holders | Shares Held | %     |
|-------------------------------|----------------------|-------------|-------|
| H.M. Investment (Pvt) Limited | 1                    | 20          | 0.00% |

| NIT and ICP                        | No. of Share Holders | Shares Held  | %            |
|------------------------------------|----------------------|--------------|--------------|
| 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> |

| Directors, CEO and their spouse and minor children      | No. of Share Holders | Shares Held    | %             |
|---|----------------------|----------------|---------------|
| 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%         |
|   | <b>20</b>            | <b>417,158</b> | <b>34.75%</b> |

| Public Sector Companies and Corporations | No. of Share Holders | Shares Held  | %            |
|--|----------------------|--------------|--------------|
| BCGA Punjab (Pvt.) Limited               | 1                    | 2,004        | 0.17%        |
| Fateh Textile Mills Limited              | 1                    | 100          | 0.01%        |
| Zam Zam Limited                          | 1                    | 40           | 0.00%        |
|  | <b>3</b>             | <b>2,144</b> | <b>0.18%</b> |

| Banks, Development Finance Institutions, Non-banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds | No. of Share Holders | Shares Held | %            |
|---|----------------------|-------------|--------------|
| 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%        |
| Pakistan Insurance Corporation  | 1                    | 200         | 0.02%        |
|   | <b>6</b>             | <b>340</b>  | <b>0.03%</b> |

| Individuals | No. of Share Holders | Shares Held      | %              |
|-------------|----------------------|------------------|----------------|
|             | 898                  | 659,956          | 55.00%         |
|             | <b>931</b>           | <b>1,200,000</b> | <b>100.00%</b> |

# HAFIZ LIMITED

97 Alliance Building, 2<sup>nd</sup> Floor, Moolji Street, Mereweather Tower, Karachi -74000.  
Tel: 021 -32440371 Fax: 021-32440372.

6th October, 2015.

Dear Shareholder,

**SUBJECT: DIVIDEND MANDATE FORM**

It is to inform you that under section 250 of the Companies Ordinance, 1984 a shareholders' may, if so desire, direct the Company to pay dividend through your bank account.

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan vide Circular No.18 of 2012 dated June 05, 2012, we request you, being the registered shareholder of HAFIZ LIMITED and hereby give the opportunity to authorize the Company to directly credit in your bank account cash dividend, if any, declared by the Company in future.

**[PLEASE NOTE THAT THIS DIVIDEND MANDATE IS OPTIONAL AND NOT COMPULSORY; IN CASE YOU DO NOT WISH YOUR DIVIDEND TO BE DIRECTLY CREDITED INTO YOUR BANK ACCOUNT THEN THE SAME SHALL BE PAID TO YOU THROUGH THE DIVIDEND WARRANTS].**

Do you wish the cash dividend declared by the Company, if any, is directly credited in your bank account, instead of issue of dividend warrants. Please tick any of the following boxes.

|            |  |           |  |
|------------|--|-----------|--|
| <b>YES</b> |  | <b>NO</b> |  |
|------------|--|-----------|--|

If yes, then please provide the following information:

| <b>DETAILS OF BANK MANDATE</b>                             |  |
|--|--|
| <b>Folio Number</b>  |  |
| <b>Name of Shareholder with Father / Husband Name</b>      |  |
| <b>Title of Bank Account</b>                               |  |
| <b>Bank Account Number</b>                                 |  |
| <b>Bank's Name</b>   |  |
| <b>Branch Code, Name and Address</b>                       |  |
| <b>Cell Number of Shareholder / Transferee</b>             |  |
| <b>Landline Number of shareholder / Transferee, if any</b> |  |
| <b>CNIC No. (Please also enclose the copy)</b>             |  |

It is stated that the above mentioned information is correct, that I will intimate the changes in the above mentioned information to the Company and the concerned Share Registrar as soon as these occur.

\_\_\_\_\_  
Signature of the Member / Shareholders

**Notes:**

**CNIC Submission (Mandatory) :**

Shareholders are further advised that pursuant to the directive of the SECP, CNIC numbers of the shareholders are mandatorily required to be mentioned on dividend warrants. Shareholders are therefore requested to submit a copy of their CNIC to the Hafiz Limited Share Registrar.

**Physical Shareholders:**

Please mail your reply to our Share Registrar M/s. MG Associates (Pvt.) Ltd. F -4/2, Mustafa Avenue, Block - 9, Behind "THE FORUM", Clifton, Karachi.

**CDC Shareholders:**

The members who have shares in Central Depository System (CDS) may provide the information to CDS or concerned broker.

**HAFIZ LIMITED**  
(FORMERLY HAFIZ TEXTILE MILLS 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 **64th Annual General Meeting** of the Company to be held on  
**Wednesday, 28th October, 2015 at 9:00 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<br>Five Rupees<br>Revenue Stamps                           |
| The Signature should agree with the<br>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 \_\_\_\_\_ Registered 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 alongwith proxy form to the company).

# ANNUAL REPORT 2015

|                                 |   |  |
|---------------------------------|---|--|
| <b>Chief Executive Officer</b>  | : | <i>Fakhruddin Usmani</i>   |
| <b>Directors</b>                | : | <i>Quamruddin Usmani</i>   |
|                                 | : | <i>Muhammad Farooq Usmani</i>  |
|                                 | : | <i>Mahmood Wali Muhammad</i>   |
|                                 | : | <i>Muhammad Atiq</i>   |
|                                 | : | <i>Ali Muhammad Usmani</i>   |
|                                 | : | <i>Muhammad Shahzad Fakir</i>  |
| <b>Board of Audit Committee</b> |   |  |
| <b>Chairman</b>                 | : | <i>Quamruddin Usmani</i>   |
| <b>Members</b>                  | : | <i>Muhammad Farooq Usmani</i>  |
|                                 | : | <i>Mahmood Wali Muhammad</i>   |
| <b>Chief Financial Officer</b>  | : | <i>Muhammad Shahid Siddiqui</i>  |
| <b>Company Secretary</b>        | : | <i>S. Shafiq Hasan</i>   |
| <b>Bankers</b>                  | : | <i>Habib Metropolitan Bank Ltd.</i>  |
|                                 | : | <i>HBL Bank Limited</i>  |
|                                 | : | <i>NIB Bank Limited</i>  |
|                                 | : | <i>National Bank of Pakistan</i>   |
| <b>Auditors</b>                 | : | <i>Moochhala Gangat &amp; Co.,</i><br><i>Chartered Accountants,</i><br><i>Karachi.</i>   |
| <b>Shares Registrar</b>         | : | <i>MG Associates (Pvt.) Limited,</i><br><i>F-4/2, Mustafa Avenue, Block - 9,</i><br><i>Behind "The Forum", Clifton, Karachi.</i> |
| <b>Registered Office</b>        | : | <i>97, Alliance Building, 2<sup>nd</sup> Floor,</i><br><i>Moolji Street, Mereweather Tower,</i><br><i>Karachi-74000.</i>         |
| <b>Mill at</b>                  | : | <i>D-9, S.I.T.E., Karachi.</i>   |
| <b>Webside</b>                  | : | <i>www.hafiztm.com</i>   |

# ***BOOK POST***

UNDER POSTAL CERTIFICATE

If undelivered please return to:

**HAFIZ LIMITED**

97, Alliance Building, 2nd Floor, Moolji Street, M.W. Tower, Karachi-74000