HALF YEARLY FINANCIAL STATEMENTS 31ST DECEMBER 2019

HAFIZ LIMITED

COMPANY INFORMATON

Board of Directors	:	*Quamruddin Osmani*	*Chairman*
	:	*Fakhruddin Usmani*	*Chief Executive*
	:	*Muhammad Farooq Usmani*	*Director*
	:	*Mahmood Wali Muhammad*	*Director*
	:	*Muhammad Atiq*	*Director*
	:	*Ali Muhammad Usmani*	*Director*
	:	*Muhammad Shahzad Fakir*	*Director*
Board of Audit Committee			
Chairman	:	*Quamruddin Osmani*	
Members	:	*Muhammad Farooq Usmani*	
		Mahmood Wali Muhammad	
Board of Human Resource Committee			
Chairman	:	*Ali Muhammad Usmani*	
Members	:	*Fakhruddin Usmani*	
		Quamruddin Osmani	
Chief Financial Officer	:	*Muhammad Shahid Siddiqui*	
Company Secretary	:	*S. Shafiq Hasan*	
Bankers	:	*Habib Metropolitan Bank Ltd.*	
	:	*HBL Bank Limited*	
	:	*MIB-MCB Islamic Bank Limited*	
	:	*National Bank of Pakistan*	
Auditors	:	*MAZARS M.F. & Co.* *Chartered Accountants,* *Karachi.*	
Shares Registrar	:	*F.D. Registrar Service (SMC-Pvt) Ltd.* *170-5, 17th Floor, Saima Trade Tower-A* *I. I. Chundrigar Road, Karachi-74000*	
Registered Office	:	*97, Alliance Building, 2nd Floor,* *Moolji Street, Mereweather Tower,* *Karachi-74000.*	
Mill at	:	*D-9, S.I.T.E., Karachi.*	
Webside	:	*www.hafiztm.com*	

MID YEAR REVIEW

The Directors of your company are pleased to present their Half Yearly un-audited Accounts for the half year ended December 31, 2019. The accounts have been reviewed by the auditors of the company M/s. Mazars M.F. & Co., (Chartered Accountants).

However, calendar year 2019 has brought some relief to the textile industry as it has managed to perform better than other sectors. On the other hand, investment in the textile sector for replacing and installing new imported machinery increased 17% in the period under review in the same period of 2018. Although the industry was promised energy supplies at subsidized tariffs as part of the government's incentive package, the decision, approved by the Economic Coordination Committee, could not be implemented in true letter and spirit. Meanwhile, news reports have emerged that talk about withdrawal of the energy subsidy granted to the textile sector. The industry has also lost its zero-rated status, along with four other major export sectors, in the 2019-20 budget and is required to pay sales tax from the current fiscal year.

Alarmingly, cotton arrivals as of December 15, 2019 dropped to 7.86 million bales against 9.96 million bales at the same time last year. The drop in production of cotton a key raw material for textile mills is likely to cause its shortage and force the textile sector to increase cotton imports. The industry needs at least 15 million cotton bales in a year to meet its processing requirements. Still, the scarcity of raw material is one of the biggest concerns for different textile sub-sectors because their targets are directly linked to the country's cotton production.

Internal and external challenges are likely to haunt the government as well as the industry, which are keen to meet the targets. Some of the internal challenges include energy affordability, inconsistent policies in the short term, infrastructure hurdles, skill development constraints, foreign exchange volatility and above all, the macroeconomic volatility.

The Board would like to place on record their strong appreciation for the efforts of the Senior Executives and staff members for their hard work.

FOR AND ON BEHALF OF THE BOARD

Quamruddin Osmani
Chairman

Fakhruddin Usmani
CEO

Karachi:
26th February, 2020

ڈائریکٹران کا جائزہ

آپ کی کمپنی کے ڈائریکٹران ششماہی مدت مختتمہ 31 دسمبر 2019 کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے اظہار مسرت کرتے ہیں- مالیاتی گوشوارہ کا جائزہ کمپنی کے آڈیٹرز میسرز مزارز ایم ایف اینڈ کو (چارٹرڈ اکاؤنٹنٹس) نے کیا ہے-

تاہم کیلنڈر سال 2019 ٹیکسٹائل کے صنعت کے لئے کچھ ریلیف لے کر آیا جو دیگر شعبوں کی بہ نسبت اپنی بہتر کارکردگی برقرار رکھ سکا- جبکہ دوسری جانب جائزہ مدت کے دوران ٹیکسٹائل کے شعبہ میں پرانی مشینری کی تبدیلی اور نئ مشین کی تنصیب میں سرمایہ کاری گزشتہ سال 2018 کی اسی مدت کی بہ نسبت 17 فیصد زیادہ رہی- اگرچہ کہ حکومت کے ترغیبی پیکیج کے تحت ارزاں نرخوں پر توانائی کی فراہمی کا وعدہ کیا گیا تھا تاہم اکناک کوآرڈینیشن کمیٹی کے اس فیصلہ پر اس کی سچی روح ورواں کے مطابق عملدرآمد نہ ہوسکا- اسی دوران میڈیا پر خبریں شائع ہوئیں کہ ٹیکسٹائل کے شعبہ کو دی گئی سبسڈی واپس لی جارہی ہے- بجٹ 2020 میں اس صنعت کے علاوہ دیگر چار بڑے برآمدی شعبوں کی صفر ٹیکس کی حیثیت ختم کردی گئی اور ان کے لئے موجودہ مالیاتی سال میں سیلز ٹیکس ادا کرنا ضروری ہوگیا-

تشویشناک حد تک کپاس کی آمد 15 دسمبر 2019 تک 7.86 ملین گانٹھیں رہ گئیں جبکہ گزشتہ سال اسی مدت میں 9.96 ملین گانٹھیں تھیں- کپاس جو کہ ٹیکسٹائل ملز کا ایک اہم خام مال ہے اس کی پیداوار میں کمی سے قلت پیدا ہوجائے گی اور ٹیکسٹائل کے شعبہ کو کپاس کو درآمد کرنا پڑے گی- اس صنعت کو کم از کم سال میں 15 ملین گانٹھیں اپنے پیداواری ضروریات کو پورا کرنے کے لئے لازمی ہیں- اس کے علاوہ ٹیکسٹائل کے مختلف ذیلی شعبوں کے لئے یہ ایک انتہائی تشویشناک بات ہے کیونکہ ان کے ہدف کا بالواسطہ تعلق کپاس کی ملکی پیداوار پر ہے-

متوقع اندورنی اور بیرونی چیلنجز سے نہ صرف حکومت بلکہ صنعت بھی متاثر ہوگی جو کہ اپنے ہدف کو پورا کرنے کے لئے کوشاں ہے- کچھ اندرونی چیلنجز میں ارزاں نرخوں پر توانائی کی فراہمی، قلیل مدتی پالیسیوں میں تسلسل کا فقدان، ڈھانچہ کی رکاوٹیں، مہارت کی ترقی میں پابندیاں، مبادلہ کی نازک صورتحال اور سب سے بڑھ کر معاشی عدم استحکام شامل ہیں-

بورڈ اس موقع پر اعلیٰ انتظامیہ اور عملہ کے ممبران کی کاوشوں پر ان کے لئے بہترین ستائش کا اظہار کرتی ہے۔

منجانب اور برائے بورڈ

قمرالدین عثمانی
چیئرمین

فخرالدین عثمانی
چیف ایگزیکٹیو آفیسر

کراچی 26 فروری 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Hafiz Limited (the "Company") as at December 31, 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

Scope of Review

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

Conclusion

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

The engagement partner on the review resulting in this independent auditor's report is Hussaini Fakhruddin.

Mazars M.F & Co.
Chartered Accountants

Place: Karachi
Date:26th February, 2020.

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2019

	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
ASSETS		--------- Rupees	--------
NON-CURRENT ASSETS			
Property, plant and equipment	5	**4,938,212**	4,108,875
Investment property		**472,510,664**	472,510,664
		477,448,876	476,619,539
CURRENT ASSETS			
Short term investments	6	**3,495,511**	1,780,201
Trade debts		**652,000**	522,400
Loans and advances		**460,226**	420,498
Short term deposits		**1,028,846**	1,028,846
Taxation - net		**1,978,518**	1,985,803
Bank balances - current account		**2,844,820**	4,658,985
		10,459,921	10,396,733
Net assets in Bangladesh		**1**	1
TOTAL ASSETS		**487,908,798**	487,016,273
EQUITY AND LIABILITIES			
Authorized Capital:			
2,000,000 (June 30, 2019: 2,000,000) Ordinary Shares of Rs. 10/- each		**20,000,000**	20,000,000
Issued, subscribed and paid up capital:			
1,200,000 (June 30, 2019: 1,200,000) Ordinary Shares of Rs. 10/- each		**12,000,000**	12,000,000
Reserves		**465,173,222**	465,116,405
		477,173,222	477,116,405
NON-CURRENT LIABILITY			
Deferred liability - Gratuity		**329,282**	323,325
CURRENT LIABILITIES			
Trade and other payables		**6,762,758**	6,311,672
Unclaimed dividend		**3,643,536**	3,264,871
		10,406,294	9,576,543
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		**487,908,798**	487,016,273

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

Karachi
26th Feb., 2020.

Muhammad Shahid Siddiqui
CFO

Fakhruddin Usmani
CEO

Quamruddin Usmani
CEO

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Note	For the quarter ended December 31, 2019	For the quarter ended December 31, 2018	For the half year ended December 31, 2019	For the half year ended December 31, 2018
		--------- Rupees --------			
Rental income		**2,913,720**	2,757,882	**6,138,755**	5,690,885
Administrative expenses		**1,427,362**	1,226,984	**3,617,532**	3,263,762
Financial charges		**10,001**	7,838	**13,128**	9,170
		1,437,363	1,234,822	**3,630,660**	3,272,932
Other income - dividend		**12,750**	-	**12,750**	-
Other charges	8	**241,417**	-	**241,417**	-
Profit before taxation		**1,247,690**	1,523,060	**2,279,428**	2,417,953
Taxation	9	**(622,343)**	(423,881)	**(1,124,924)**	(941,845)
Net profit after taxation		**625,347**	1,099,179	**1,154,504**	1,476,108
Earnings per share - Basic and diluted		**0.52**	0.92	**0.96**	1.23

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

Karachi
26th Feb., 2020.

Muhammad Shahid Siddiqui	Fakhruddin Usmani	Quamruddin Usmani
CFO	CEO	CEO

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	December 31, 2019	December 31, 2018
	--------- Rupees --------	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	**2,279,428**	2,417,953
Depreciation	**269,147**	328,457
Provision for gratuity	**5,957**	14,865
Financial charges	**13,128**	9,170
	288,232	352,492
Operating profit before working capital changes	**2,567,660**	2,770,445
(Increase) /decrease in current assets		
Trade debts	**(129,600)**	(138,282)
Loans and advances	**(39,728)**	(154,751)
	(169,328)	(293,033)
Increase / (decrease) in current liabilities		
Trade and other payable	**451,086**	288,227
Cash generated from operations	**2,849,418**	2,765,639
Payment for:		
Taxes	**(1,117,639)**	(1,008,339)
Financial charges	**(13,128)**	(9,170)
Net cash inflow from operating activities	**1,718,651**	1,748,130
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**(1,098,484)**	-
Purchase of short term investment	**(1,012,997)**	-
Net cash used in investing activities	**(2,111,481)**	-
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	**(1,421,335)**	(1,568,265)
Net increase in cash at bank balances	**(1,814,165)**	179,865
Cash at bank balances at beginning of the period	**4,658,985**	5,023,403
Cash at bank balances at end of the period	**2,844,820**	5,203,268

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

Karachi
26th Feb., 2020.

Muhammad Shahid Siddiqui	Fakhruddin Usmani	Quamruddin Usmani
CFO	CEO	CEO

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Share Capital	Unappropriated Profit	Interest free loan from Directors	Fair value reserve for investment property	Unrealized gain / (loss) on remeasurement of FVOCI investments	Total Reserves	Total Equity
				--------- Rupees --------			
Balance as at July 01, 2018	12,000,000	14,864,204	56,634,905	371,752,394	-	443,251,503	455,251,503
Total comprehensive income for the period	-	1,476,108	-	-	-	1,476,108	1,476,108
Final dividend for the year ended June 30, 2018 @ Rs. 1.75 per share i.e. 17.5%	-	(2,100,000)	-	-	-	(2,100,000)	(2,100,000)
Balance as at December 31, 2018	12,000,000	14,240,312	56,634,905	371,752,394	-	442,627,611	454,627,611
Balance as at July 01, 2019	**12,000,000**	**36,969,357**	**56,634,905**	**371,752,394**	**(240,251)**	**465,116,405**	**477,116,405**
Total comprehensive income for the period	**-**	**1,154,504**	**-**	**-**	**702,313**	**1,856,817**	**1,856,817**
Final dividend for the year ended June 30, 2019 @ Rs. 1.50 per share i.e. 15%.	**-**	**(1,800,000)**	**-**	**-**	**-**	**(1,800,000)**	**(1,800,000)**
Balance as at December 31, 2019	**12,000,000**	**36,323,861**	**56,634,905**	**371,752,394**	**462,062**	**465,173,222**	**477,173,222**

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	For the quarter ended		For the half year ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
		--------- Rupees --------		
Net profit after taxation	**625,347**	1,099,179	**1,154,504**	1,476,108
Other comprehensive income:				
Items that will not be subsequently reclassified to the statement of profit or loss				
- Net gain on equity instruments at fair value through other comprehensive income	**702,313**	-	**702,313**	-
Total comprehensive income for the year	**1,327,660**	1,099,179	**1,856,817**	1,476,108

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

Karachi
26th Feb., 2020.

Muhammad Shahid Siddiqui
CFO

Fakhruddin Usmani
CEO

Quamruddin Usmani
CEO

NOTES ANNEXED TO THE CONDENCED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

1 STATUS AND NATURE OF BUSINESS

Hafiz Limited ("the Company") is a Public Limited Company incorporated in 1951 under the repealed Companies Ordinance, 1984.The shares of the Company are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi. Previously the principal activity of the Company was to deal in spinning of textile fibers and now the principal activity of the Company is to earn rentals on land and building.

2 STATEMENT OF COMPLIANCE

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

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

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

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

3 BASIS OF PREPARATION

3.1 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2019. These condensed interim financial statements are unaudited, however have been subject to limited scope review by the auditors, and are being submitted to the shareholders as required by the listing regulations of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

3.2 The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2019 and December 31, 2018.

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

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

a) The following standards, amendments and interpretations to accounting and reporting standards became effective for the first time during the period:

IFRS 16 - 'Leases'
IAS 19 - 'Plan Amendment, Curtailment or Settlement'
IAS 28 - 'Long-term Interests in Associates and Joint Ventures'
IFRIC 23 - 'Uncertainty over Income Tax Treatments'

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

b) Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following standards, amendments and interpretations with respect to the accounting and reporting standards as applicable in Pakistan are relevant to the Company and would be effective from the dates mentioned below against the respective standards, amendments or interpretation:

Standards, amendments or interpretation	**Effective Date**
IAS1 / IAS 8 Definition of Material	January 01, 2020

3.4 Accounting estimates and judgments

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

During the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the annual audited financial statements of the Company for the year ended June 30, 2019.

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

4 SIGNIFICANT ACCOUNTING POLICIES

Accounting policies adopted for the preparation of these half yearly condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2019.

		Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
	PROPERTY, PLANT AND EQUIPMENT		-----Rupees-----	
	Operating fixed assets	5.1	3,479,379	3,445,367
	Capital work in progress - Civil works		1,458,833	663,508
			4,938,212	4,108,875
5.1	**Movement in operating fixed assets:**			
	Opening - at net book value		3,445,367	4,214,436
	Add: Additions during the period		303,159	1,020,000
			3,748,526	5,234,436
	Less: Depreciation charged during the period		(269,147)	(381,967)
	Less: Disposals during the period - at net book value		-	(1,407,102)
			(269,147)	(1,789,069)
	Closing - at net book value		3,479,379	3,445,367
6	**SHORT TERM INVESTMENTS**			
	At fair value through other comprehensive income	6.1	2,656,501	1,780,201
	At fair value through profit or loss	6.2	839,010	-
			3,495,511	1,780,201
6.1	At fair value through other comprehensive income			
	Pan Islamic Steamship Company Limited		16,137	16,137
	288 (2019: 288) ordinary shares of Rs. 100/- each			
	Amreli Steels Limited		-	246,600
	Nil (2019: 10,000) ordinary shares of Rs. 10/- each			
	K-Electric Limited		655,500	658,500
	150,000 (2019: 150,000) ordinary shares of Rs. 10/- each			
	Nishat Chunian Limited		-	175,100
	Nil (2019: 5,000) ordinary shares of Rs. 10/- each			
	Worldcall Telecom Limited		2,001,000	700,000
	1,450,000 (2019: 1,000,000) ordinary shares of Rs. 10/- each			
			2,672,637	1,796,337
	Less: Provision for diminution in value of investments		(16,136)	(16,136)
			2,656,501	1,780,201

		Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
	At fair value through profit or loss		-----Rupees-----	
6.2	**Amtex Limited**		20,500	-
	25,000 (2019: Nil) ordinary shares of Rs. 10/- each			
	Colony Textile Mills Limited		70,150	-
	23,000 (2019: Nil) ordinary shares of Rs. 10/- each			
	Lotte Chemical Pakistan Limited		140,200	-
	10,000 (2019: Nil) ordinary shares of Rs. 10/- each			
	Pervez Ahmed Consultancy Services Limited		85,000	-
	100,000 (2019: Nil) ordinary shares of Rs. 10/- each			
	Telecard Limited		523,160	-
	319,000 (2019: Nil) ordinary shares of Rs. 10/- each			
			839,010	-

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no significant change in the status of contingencies as disclosed in note 17.1 to the annual audited financial statements of the Company for the year ended June 30, 2019.

7.2 Commitments

There were no commitments outstanding as at December 31, 2019 (June 30, 2019: Nil).

		Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
8	**OTHER CHARGES**		-----Rupees-----	
	Loss on sale of investment at fair value through profit or loss		238,372	-
	Unrealized loss on remeasurement of investment at fair value through profit or loss		3,045	-
			241,417	-

		Note	(Un-audited) December 31, 2019	(Un-audited) December 31, 2018
9	**TAXATION**		-----Rupees-----	
	Current		1,041,619	1,420,497
	Prior		83,305	(478,652)
			1,124,924	941,845

9.1 Deferred tax asset amounting to Rs. 7.354 million (June 2019: Rs. 8.533 million) mainly arising on unused tax losses has not been recognized in these condensed interim financial statements in accordance with the Company's accounting policy.

10 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual audited unconsolidated financial statements for the year ended June 30, 2019. There have been no change in any risk management policies since the year end.

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

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

As at December 31, 2019, all of the Company's financial instruments are carried at fair value using level 1 technique (quoted price).

11 TRANSACTIONS WITH RELATED PARTIES

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

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

Name of the related party and relationship with the Company	Nature of transactions	Un-audited Half year ended December 31, 2019	Un-audited Half year ended December 31, 2018
		--------------(Rupees)--------------	
Chief Executive	Managerial remuneration	150,000	150,000
	Utilities	87,500	87,500
Director	Managerial remuneration	90,000	90,000
	Utilities	146,425	146,425
Retirement benefit fund			
Gratuity	Charge for the period	5,957	14,865

12 AUTHORIZATION

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company on 26th February, 2020.

13 GENERAL

Figures have been rounded off of the nearest rupee.

Karachi
26th Feb., 2020.

Muhammad Shahid Siddiqui **CFO**	**Fakhruddin Usmani** **CEO**	**Quamruddin Usmani** **CEO**

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