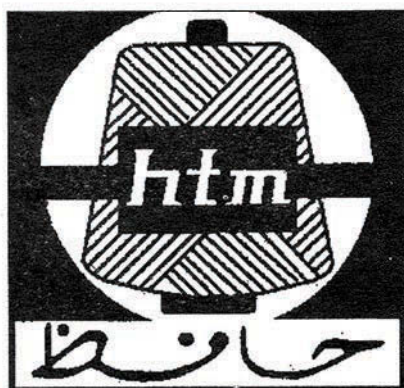


**1ST
QUARTER
STATEMENTS
30TH SEPTEMBER, 2008**



**HAFIZ
TEXTILE MILLS LIMITED**

COMPANY INFORMATON

Chief Executive	:	Fakhruddin Usmani
Directors	:	Quamruddin Usmani Muhammad Farooq Usmani Mahmood Wali Muhammad Muhammad Atiq Ali Muhammad Usmani Muhammad Shehzad Fakir
Board of Audit Committee		
Chairman	:	Quamruddin Usmani
Members	:	Muhammad Farooq Usmani Mahmood Wali Muhammad
Chief Financial Officer	:	Muhammad Shahid Siddiqui
Company Secretary	:	S. Shafiq Hasan
Bankers	:	Habib Bank Limited United Bank Limited National Bank of Pakistan Habib Metropolitan Bank Ltd.
Auditors	:	MOOCHHALA GANGAT & CO. Chartered Accountants, Karachi.
Registered Office	:	97, Alliance Building, 2 nd Floor, Moolji Street, Mereweather Tower, Karachi – 74000.
Mill at	:	D-9, S.I.T.E., Karachi.

DIRECTOR'S VIEW

The Directors of your company are pleased to present their 1st Quarter Accounts for the period ended September 30, 2008.

During the period, the central banks around the globe the global liquidity crisis is on the rise and getting worse. Some says, it is fall of US economic imperialism. Others term it resultant of greed and open market mechanism. They are all trying to seeking a common strategy to combat with this economic/financial situation.

The textile sector is facing regional disparities on account of financial support, incentives. India has initiated Technology Upgradation Fund Scheme to modernize and upgrade the textile industry. Under this scheme, 5% interest rate reimbursement is available to encourage capital formation.

Various kinds of incentives which are available to our competitors are not available to our local industry and exporters but your directors are doing their best to overcome the problems of the company and Inshallah the company directors shall maintain the progress of the company in the coming period.

The directors wish to place on record their deep appreciations for continuous supports by bankers, friends, well wishers and also thank the members of staff of the company for their hard work and devotion of duty.

For and on behalf of the Directors



Fakhruddin Usmani
Chief Executive

Karachi:
27th October, 2008.

HAFIZ TEXTILE MILLS LIMITED

BALANCE SHEET (UN-AUDITED)

AS AT SEPTEMBER 30, 2008.

CAPITAL & LIABILITIES	30-Sep-08	30-Jun-08
	(Rupees)	(Rupees)

SHARE CAPITAL AND RESERVE

Authorised

2,000,000 Ordinary shares of Rs. 10/- each	20,000,000	20,000,000
Issued subscribed and paid up	12,000,000	12,000,000
Accumulated Loss	(114,930,994)	(115,749,986)
	(102,930,994)	(103,749,986)

SURPLUS ON REVALUATION OF FIXED ASSETS

95,651,636 95,940,370

LONG TERM LOAN - FROM DIRECTORS

29,641,800 29,641,800

(Unsecured and interest free)

DEFERRED LIABILITIES - Gratuity

763,350 741,250

CURRENT LIABILITIES

Creditors, accrued & other liabilities	70,316,713	71,641,624
	93,442,505	94,215,058

PROPEERTY AND ASSETS	30-Sep-08	30-Jun-08
	(Rupees)	(Rupees)

TANGIBLE FIXED ASSETS

Operating Assets 90,529,499 90,940,266

CAPITAL WORK IN PROGRESS

908,583 908,583

LONG TERM INVESTMENTS

1 1

CURRENT ASSETS


Trade debtors	-	-
Loans and advances	660,513	660,513
Deposits, prepayments and other receivables	981,057	981,057
Cash and Bank Balances	362,851	724,637
	2,004,421	2,366,207

ASSETS IN BANGLADESH

1 1

93,442,505 94,215,058

Karachi:
27th October, 2008.



Fakhruddin Usmani
Chief Executive


Quamruddin Usmani
Director

PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2008.

<i>Particulars</i>	<i>For the period Jul., 2008 to Sept., 008</i>	<i>For the period Jul., 2007 to Sept., 2007</i>
	<i>(Rupees)</i>	<i>(Rupees)</i>
Sales
Cost
Gross Profit / (Loss)
FIXED COST AND OTHER CHARGES		
Administrative and Selling	908,134	772,156
Financial	9,185	1,411
	917,319	773,567
OPERATING LOSS	(917,319)	(773,567)
Other Income	1,659,614	977,608
Profit / Loss before taxation	742,295	204,041
Taxation	(38,172)	(36,308)
Profit / Loss after taxation	704,123	167,733
Earning per share	0.59	0.14

Karachi:
27th October, 2008.


Fakhruddin Usmani
Chief Executive


Quamruddin Usmani
Director

HAFIZ TEXTILE MILLS LIMITED

CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2008.


Particulars	For the period Jul., 2008 to Sept., 2008 (Rupees)	For the period Jul., 2007 to Sept., 2007 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from / (used in) operations	(337,101)	868,665
Financial charges paid	(9,185)	(1,411)
Gratuity paid	-	-
Net Cash inflow/ (outflow) from operating activities	(346,286)	867,254
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(15,500)	-
Net Cash inflow/ (outflow) from investing activities	(15,500)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	-	(6)
Net Cash inflow/ (outflow) from financing activities	-	(6)
Net decrease in cash and cash equivalent	(361,786)	867,248
Cash and cash equivalent at the beginning of the period	724,637	216,727
Cash and cash equivalent at the end of the period	<u>362,851</u>	<u>1,083,975</u>
A. CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit / (Loss) after taxation	704,123	167,733
Add/ (less) adjustment for non-cash charges and other times:		
Depreciation	426,267	428,391
Provision for gratuity	22,100	7,000
Financial charges	9,185	1,411
	457,552	436,802
Operating profit before working capital changes	<u>1,161,675</u>	<u>604,535</u>
Movement in Working Capital		
Decrease / (increase) in loans advances deposits & other receivables	-	396,485
Increase / (decrease) in creditors, accrued & other liabilities	(1,498,776)	(132,355)
	(1,498,776)	264,130
CASH GENERATED FROM / (USED IN) OPERATION	<u>(337,101)</u>	<u>868,665</u>

HAFIZ TEXTILE MILLS LIMITED

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2008.**

	Share Capital	Accumulated Losses	Total
	(Rupees)	(Rupees)	(Rupees)
Balance as at June 30, 2007	12,000,000	(120,162,253)	(108,162,253)
Net Profit for three months (July, 2007 to Sept. 2007)	--	167,733	167,733
Incremental depreciation transferred from Surplus on Revaluation of Fixed Assets	--	293,310	293,310
	12,000,000	(119,701,210)	(107,701,210)
Net Profit for nine months (Oct., 2007 to Jun., 2008)	--	3,071,292	3,071,292
Incremental depreciation transferred from Surplus on Revaluation of Fixed Assets	--	879,931	879,931
Balance as at June 30, 2008	12,000,000	(115,749,987)	(103,749,987)
Incremental depreciation transferred from Surplus on Revaluation of Fixed Assets	--	288,734	288,734
Net Profit for three months (July, 2008 - Sept., 2008)	--	704,123	704,123
Provision for Dividend 7.5% to minority shareholders	--	(173,864)	(173,864)
Balance as at December 31, 2007.	12,000,000	(114,930,994)	(102,930,994)

Karachi:
27th October, 2008.


Fakhruddin Usmani
Chief Executive


Quamruddin Usmani
Director

NOTES TO THE ACCOUNT (UN-AUDITED)

STATUS AND NATURE OF BUSINESS:

STATUS AND NATURE OF BUSINESS:

- 1 The accounts are unaudited and have been prepared in accordance with the requirement of SRO 764(1)2001 dated 5-11-2001 issued by the Securities and Exchange Commission of Pakistan.

ACCOUNTING POLICIES:

- 2 The accounting policies adopted for the preparation of these accounts are the same as those applied to the accounts for the preceding period.

FIGURES:

- 3 Figures of previous period have been re-arranged wherever necessary for the purpose of comparison.

CONTINGENT LIABILITIES:


- 4 The contingent liabilities of the company stood as under:

	30-9-2008	30-9-2007
— war risk insurance premium	0.5 million	0.5 million
— disputed worker's claim	<u>0.41 million</u>	<u>0.41 million</u>
	<u>0.91 million</u>	<u>0.91 million</u>

COMPLIANCE WITH IAS-34.

- 5 These statements have been prepared in pursuance of IAS-34.

Karachi:
27th October, 2008.


Fakhruddin Usmani
Chief Executive


Quamruddin Usmani
Director

BOOK POST
UNDER POSTAL CERTIFICATE

If undelivered please return to:

HAFIZ TEXTILE MILLS LIMITED

97, Alliance Building, Mooji Street, M.W. Tower, Karachi-74000