

AL-QADIR TEXTILE MILLS Ltd.

**HALF YEARLY ACCOUNTS
FOR THE PERIOD ENDED
DECEMBER 31,2007
(Un-Audited)**



AL-QADIR

TEXTILE

MILLS

LIMITED



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COMPANY INFORMATION

BOARD OF DIRECTORS

**CHAIRMAN AND
CHIEF EXECUTIVE**

MR. GHULAM ALI RAJA

DIRECTORS

*MR. MUHAMMAD BASHIR RAJA
MR. ASIF ALI RAJA
MR. FAISAL BASHIR RAJA
MST. TASNEEM AKHTER
MST. YASMEEN BEGUM
MST. ASBAH RUBINA*

**CHAIRMAN FINANCIAL
OFFICER & COMPANY
SECRETARY**

MR. ZAHEER AHMED AKMAL

AUDITORS

*NASIR JAVAID MAQSOOD IMRAN
CHARTERED ACCOUNTANTS
ISLAMABAD.*

BANKERS

BANK AL-FALAH LIMITED

REGISTERED OFFICE

*RAJA HOUSE, NEAR MAKKI MASJID,
CHAKWAL-PAKISTAN*

HEAD OFFICE AND MILLS

6-K.M. JEHLUM ROAD CHAKWAL.

SHARE REGISTRARS

*M/S YOUR SECRETARY
1020. 10TH FLOOR, UNI PLAZA,
I.I. CHUNDRIGAR ROAD
KARACHI*

DIRECTOR'S REPORT TO THE MEMBERS

In the Name of Allah, Most Gracious, Most Merciful

Dear Shareholders,

The directors of your Company are pleased to place their report together with the auditors review report and audited financial statements of the Company for the half year ended December 31, 2007.

During the period under review the cotton prices were much higher as compared to the preceding year, which caused adverse impact on the textile sector. Increase in oil prices in the international market and local market has affected every sector of economy. Shortage of power and gas supply has effected production and cost of production.

Despite increase in extra ordinary cost of production, the company has been able to generate Gross profit of Rs. 16.591 as compared to Rs. 42.518 million in the corresponding period of last year. The price of cotton yarn in the International Markets as well in the local markets remained under pressure.

Despite adverse factors like increase in fuel prices, depressed yarn prices and increase in cotton prices, your management is still making its best effort to improve its results in line with the history of the Company.

I would like to thank the valued foreign buyers local customers for their trust in our yarn quality. In the end, the Board would like to record its appreciation for ongoing support and confidence of Bank Al-Falah Limited and for technical assistance and hard work of the advisors and employees of the Company

CHIEF EXECUTIVE

On behalf of the Board

Chakwal
February 27, 2008

GHULAM ALI RAJA
CHIEF EXECUTIVE

REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed balance sheet of AL-QADIR TEXTILE MILLS LIMITED as at December 31, 2007 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part there of (here-in-after referred to as the "Financial Statements") for the half-year then ended. These financial statements are the responsibility of the company's Management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the international standard on Review Engagement 2400. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not perform an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Date: February 26, 2008
Place: Islamabad

NASIR JAVAID MAQSOOD IMRAN
Chartered Accountants

AL-QADIR TEXTILE MILLS Ltd.

AL-QADIR TEXTILE BALANCE SHEET AS ON

	Un-Audited	Audited
	DECEMBER	JUNE 30,
	31, 2007	2007
	(RUPEES)	(RUPEES)
CAPITAL & RESERVES		
Share Capital	75,600,000	75,600,000
Deposit for Shares	24,450,000	24,450,000
Accumulated Profit	119,473,801	122,780,265
	219,523,801	222,830,265
SURPLUS ON REVALUATION OF FIXED ASSETS	122,531,314	126,619,176
DEFERRED LIABILITIES	47,041,852	47,516,281
CURRENT LIABILITIES		
Current Portion of Long Term Liabilities	168,281	168,281
Short Term Borrowings	246,380,389	84,541,847
Creditors, accrued and other Liabilities	42,079,330	66,195,636
Provision for Taxation	3,017,538	-
Un Claimed Dividend	601,548	601,548
	292,247,086	151,507,312
	681,344,055	548,473,034

GHULAM ALI RAJA
CHIEF EXECUTIVE

AL-QADIR TEXTILE MILLS Ltd.

MILLS LIMITED

DECEMBER 31, 2007

	Un-Audited DECEMBER 31, 2007 (RUPEES)	Audited JUNE 30, 2007 (RUPEES)
FIXED CAPITAL EXPENDITURE		
Operating Fixed Assets	388,382,924	401,536,309
Capital Work-in-Progress	1,887,573	1,887,573
LONG-TERM DEPOSITS		
Security deposits	444,599	444,599
CURRENT ASSETS		
Store and Spares	8,877,171	9,256,172
Stock in Trade	249,354,848	103,398,043
Trade Debts	13,354,128	14,758,137
Advances, Deposits, Prepayments & Other Receivables	12,119,644	9,593,697
Cash and bank Balances	6,923,169	7,598,504
	290,628,959	144,604,553
	<u>681,344,055</u>	<u>548,473,034</u>

MUHAMMAD BASHIR RAJA
DIRECTOR

AL-QADIR TEXTILE MILLS Ltd.

PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER. 31, 2007(Un-Audited)

	Half Year Ended December 31, 2007	Quarter Ended December 31, 2007	Half Year Ended December 31, 2006	Quarter Ended December 31, 2006
	Rupees	Rupees	Rupees	Rupees
Sales	381,836,648	179,494,346	437,367,079	196,541,113
Cost of Sales	365,245,343	177,847,411	394,849,027	180,334,108
Gross Profit	16,591,305	1,646,935	42,518,052	16,207,005
Administrative Expenses	3,813,670	1,697,482	4,150,006	945,340
Selling Expenses	6,804,397	2,921,680	7,772,103	3,506,547
	10,618,067	4,619,162	11,922,109	4,451,887
Operating Profit/(Loss)	5,973,238	(2,972,227)	30,595,943	11,755,118
Other Income	170,754	91,952	131,970	104,386
	6,143,992	(2,880,275)	30,727,913	11,859,504
Financial Charges	10,520,780	5,566,836	10,991,593	6,308,026
Workers Profit Participation Fund	-	-	986,816	52,754
Profit/(Loss) Before Taxation	(4,376,788)	(8,447,111)	18,749,504	5,498,724
Taxation				
Current	(3,017,538)	-	(3,108,858)	(3,108,858)
Profit (Loss) After Taxation	(7,394,326)	(8,447,111)	15,640,646	2,389,866
Accumulated Profit (Loss) B/F	122,780,265	126,850,588	80,258,902	93,509,502
Revaluation Surplus Realized:				
On Incremental Depreciation	4,087,862	4,087,862	3,022,349	3,022,349
Un-Appropriated Profit C/F	119,473,801	122,491,339	98,921,897	98,921,717
Earning/(Loss) per Share	(0.98)	(1.12)	2.07	0.32

*GHULAM ALI RAJA
CHIEF EXECUTIVE*

*MUHAMMAD BASHIR RAJA
DIRECTOR*

AL-QADIR TEXTILE MILLS Ltd.

NOTES TO THE ACCOUNTS FOR THE HALF YEAR ENDED DECEMBER 31, 2007

1. THE COMPANY AND ITS OPERATIONS

1.1 Al-Qadir Textile Mills Limited was incorporated on November 6, 1986 as a public limited company in Pakistan under the Companies Ordinance 1984 and is quoted on Karachi. and Lahore Stock Exchanges. The company is engaged in the business of textile spinning..

1.2 The Board of Directors of the Company, in their meeting held on December 19, 2006 has decided to voluntary de-list the securities of the Company under the Listing regulations of the Karachi Stock Exchange. The matter of de-listing is in process.

2. Statement of Compliance

2.1 Basis for the Preparation of Financial Statements

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan, and requirements of the Companies Ordinance, 1984. Approved Accounting standards comprise of such International Financial Reporting Standards (IFRSs) as notified under the provisions of the Companies Ordinance, 1984, Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.

3. Significant Accounting Policies

The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparing the financial statement for the year ended June 30, 2007.

	December 31, 2007 Rupees	June 30, 2007 Rupees
4. SHARE CAPITAL		
Authorized		
15,000,000 (2006: 15, 000,000) Ordinary Shares Rupees 10 each.	<u>150,000,000</u>	<u>150,000,000</u>
issued, Subscribed & paid up:		
6,691,000 (2006: 6,691,000) fully paid Ordinary shares of rupees 10 each issued for cash	66,910,000	66,910,000
869,000 (2006: 869,000) fully paid ordinary shares rupees 10 each issued for consideration other than cash	8,690,000	8,690,000
	<u>75,600,000</u>	<u>75,600,000</u>
5. Contingencies and commitments	NIL	NIL
6. OPERATING FIXED ASSETS		
Book Value At The Beginning Of The Period	401,536,309	433,301,837
Add: Additions during the period	-	45,224,179
	<u>401,536,309</u>	<u>478,526,016</u>
Less:		
Disposal During the Period	449,497	(18,200,000)
Depreciation for the period	13,602,882	(58,789,707)
	<u>388,382,924</u>	<u>401,536,309</u>
GHULAM ALI RAJA CHIEF EXECUTIVE		MUHAMMAD BASHIR RAJA DIRECTOR

AL-QADIR TEXTILE MILLS Ltd.

	Half Year Ended December 31, 2007 Rupees	Quarter Ended December 31, 2007 Rupees	Half Year Ended December 31, 2006 Rupees	Quarter Ended December 31, 2006 Rupees
7. COST OF SALES				
Raw Material consumed	277,231,906	147,109,863	296,845,223	143,817,073
Salaries, Wages and Benefits	19,620,589	7,744,967	30,714,957	18,594,147
Fuel and power	47,044,928	21,875,071	48,327,573	24,651,810
Insurance	606,558	606,558	502,724	139,226
Packing Material	6,735,103	2,948,708	8,120,001	7,655,165
Repairs and Maintenance	7,872,616	4,379,280	6,811,207	1,766,875
Stores & Spares consumed	650,210	292,141	751,729	(3,861,067)
Miscellaneous	195,605	68,364	63,458	19,755
Cotton Cess	278,680	145,980	230,901	(15,699)
Depreciation	13,023,353	6,339,700	12,698,169	5,294,374
	<u>373,259,548</u>	<u>191,510,632</u>	<u>405,065,942</u>	<u>198,061,659</u>
WORK IN PROCESS				
Opening	4,094,114	3,573,022	4,019,977	2,361,485
Closing	(5,136,537)	(5,136,537)	(3,891,558)	(3,894,558)
	<u>(1,042,423)</u>	<u>(1,563,515)</u>	<u>(128,419)</u>	<u>(1,533,073)</u>
COST OF GOODS MANUFACTURED	<u>372,217,125</u>	<u>189,947,117</u>	<u>405,194,361</u>	<u>196,528,586</u>
FINISHED GOODS				
Opening	12,232,071	7,089,943	11,603,087	5,750,943
Closing	(19,203,853)	(19,189,649)	(21,948,421)	(21,948,421)
	<u>(6,971,782)</u>	<u>(12,099,706)</u>	<u>(10,345,334)</u>	<u>(16,197,478)</u>
COST OF GOODS SOLD	<u>365,245,343</u>	<u>177,847,411</u>	<u>394,849,027</u>	<u>180,331,108</u>
8. RAW MATERIAL CONSUMED				
Opening Stock	87,071,858	15,764,329	172,547,723	46,274,937
Purchases	409,708,413	350,893,899	330,542,712	303,787,348
	<u>496,780,271</u>	<u>366,658,228</u>	<u>503,090,435</u>	<u>350,062,285</u>
Closing Stock	(219,548,365)	(219,548,365)	(306,345,040)	(255,245,212)

GHULAM ALI RAJA
CHIEF EXECUTIVE

MUHAMMAD BASHIR RAJA
DIRECTOR

AL-QADIR TEXTILE MILLS Ltd.

	December 31, 2007 Rupees	June 30, 2007 Rupees
9. CASH AND Bank Balances		
Cash in hnd	1,582,945	91,781
Cash at bank	5,340,224	7,506,723
	<u>6,923,169</u>	<u>7,598,504</u>

10. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue by the Board of Directors of the Company on 27 Feb.2007

11. GENERAL

Figures have been rounded off to the nearest rupee.

*GHULAM ALI RAJA
CHIEF EXECUTIVE*

*MUHAMMAD BASHIR RAJA
DIRECTOR*

AL-QADIR TEXTILE MILLS Ltd.

CASH FLOW STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2007

	December 31, 2007 Rupees	December 31, 2006 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(4,376,788)	18,749,504
Adjustment for		
Depreciation	13,602,882	13,069,893
Workers' Profit Participation Fund	—	986,816
Provision for Gratuity	—	230,000
Financial Expenses	10,520,780	10,991,593
Cash Flows from Operating Activities before Working Capital changes	<u>19,746,874</u>	<u>44,027,806</u>
(Increase)/Decrease in Current Assets		
Stores & Spares	379,001	(5,148,235)
Stock in Trade	(145,956,805)	(43,914,404)
Trade Debts	(1,404,009)	(4,272,597)
Advances, Deposits, Prepayments & other Receivables	(2,525,947)	(4,898,166)
Increase/ (Decrease) in Current Liabilities		
Creditors, Accrued & other Liabilities	(24,116,306)	(6,347,497)
	<u>(170,816,047)</u>	<u>(64,580,899)</u>
CASH FLOWS FROM OPERATING ACTIVITIES	(151,069,174)	(20,553,093)
Financial Charges	(10,520,780)	(12,374,600)
Income Tax Paid	—	(3,514,014)
Gratuity Paid	(474,429)	(135,200)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(162,064,383)	36,576,907
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	(449,500)	(4,475,611)
Capital Work in Progress	—	(495,945)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(449,500)	(4,971,556)
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Loans	161,838,542	—
NET CASH FLOWS FROM FINANCING ACTIVITIES	—	(161,838,542)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(675,335)	(41,548,463)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	(7,598,504)	(167,641,744)
CASH & CASH EQUIVALENTS AT THE END OF PERIOD	<u>6,923,169</u>	<u>(209,190,207)</u>

GHULAM ALI RAJA
CHIEF EXECUTIVE

MUHAMMAD BASHIR RAJA
DIRECTOR

AL-QADIR TEXTILE MILLS Ltd.

STATEMENT OF CHANGES IN EQUITY FOR PERIOD ENDED DECEMBER 31, 2007

	<u>Share Capital</u>	<u>Deposit for Shares</u>	<u>Accumulated Profit (Loss)</u>	<u>Total</u>
Balance as at June 30, 2006	75,600,000	24,450,000	105,868,322	205,918,322
Net profit for the period after taxation	—	—	5,362,143	5,362,143
Surplus Realized on Depreciation of Revalued Assets	—	—	7,536,448	7,536,448
	—	—	4,013,352	4,013,352
Balance as at June 30, 2007	<u>75,600,000</u>	<u>24,450,000</u>	<u>122,780,265</u>	<u>222,830,265</u>
Net profit for the period after taxation	—	—	(7,394,326)	(7,394,326)
Surplus Realized on Depreciation of Revalued Assets	—	—	4,087,862	4,087,862
Balance as at December 31, 2007	<u>75,600,000</u>	<u>24,450,000</u>	<u>119,473,801</u>	<u>219,523,801</u>

***GHULAM ALI RAJA
CHIEF EXECUTIVE***

***MUHAMMAD BASHIR RAJA
DIRECTOR***

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AL-QADIR TEXTILE MILLS LIMITED
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