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URS
AL-QADIR TEXTILE MILLS LTD. U.K.
UKAS
QUALITY MANAGEMENT
043-A

23rd ANNUAL REPORT

2009

AL-QADIR
Textile Mills Limited
6-Km, Jhelum Road, Chakwal

بسم الله الرحمن الرحيم

CONTENTS

Company Information	3
Notice of Annual General Meeting	4
Director's Report to the Members	5
Statement of Compliance with the code of Corporate Governance	9
Financial Data at a Glance	12
Review Report to the Members on statement of Compliance with Best Practices	13
Auditor's Report to the Members	14
Balance Sheet	15
Profit & Loss Account	17
Cash Flow Statement	18
Pattern of Share Holding	41
Form of Proxy	42

VISION

Al-Qadir Textile Mills Limited is the largest exporter of cotton yarn in Rawalpindi Division, delivering quality products through innovative technology and effective resource management, maintaining high ethical and professional standards.

Pursuing its objectives, Al-Qadir Textile Mills Limited has over the years, preserved to attain the present enviable position, with its products competing at home and abroad.

We work to achieve commitments, integrity, fairness and teamwork into every aspect of our business dealings.

MISSION

Our mission is to keep ahead of our competitors. We can not be complacent about our achievements. Everyone from top management to workers is driven by this mission and engaged in applying resources to continual product improvement.

Given its vision and its focused strategy, Al-Qadir Textile Mills Limited, can look forward to as bright a future as its past.

Better utilization of man-power, continuous improvement in quality, customer's satisfaction is our mission.

COMPANY INFORMATION

BOARD OF DIRECTORS:	
CHAIRMAN AND CHIEF EXECUTIVE	MR. GHULAM ALI RAJA
DIRECTORS	MR. MOHAMMED BASHIR RAJA MR. ASIF ALI RAJA MR. FAISAL BASHIR RAJA MST. TASNEEM AKHTAR MST. YASMEEN BEGUM MST. ASBAH RUBINA
AUDIT COMMITTEE: CHAIRMAN	MR. ASIF ALI RAJA
MEMBERS	MR. MOHAMMED BASHIR RAJA MR. FAISAL BASHIR RAJA
CHIEF FINANCIAL OFFICER & COMNPANY 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 TEL: 0543-540833 FAX: 0543-540834 E-MAIL: alqadirtex.@yahoo.com
HEAD OFFICE & MILLS	6-K.M. JHELUM ROAD, CHAKWAL
SHARE REGISTRARS	M/S YOUR SECRETARY (PVT) LTD 1020, 10TH FLOOR, UNI PLAZA, I.I. CHUNDRIGAR ROAD, KARACHI.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 23rd Annual General Meeting of the Company will be held at Mills Office 6-K.M. Jhelum Road, Chakwal on Friday i.e. 30 October 2009 at 12:30 P.M. to transact the following business:

1. To confirm the Minutes of 22nd Annual General Meeting held on 31st Oct. 2008.

2. To receive and adopt the Audited Accounts of the company for the year ended 30th June 2009 and the Directors and Auditor's Reports thereon.

3. To approve and appoint the "External Auditors" for the year 2009-2010 and to fix their remuneration. The present auditors Nasir Javaid Maqsood Imran, Chartered Accounts Islamabad, retire and offer for re-appointment.

4. To consider any other business, which may be placed before the meeting with the permission of the Chairman.

Chakwal
October 09, 2009

By order of the Board
Zaheer Ahmed Akmal
Company Secretary

NOTES:

1. The share transfer books of the Company will be closed from 24 Oct. to 30 Oct. 2009 (both days inclusive). Transfers received in order at the Registrars of the Company i.e., M/s Your Secretary (Pvt.) Ltd, 1020, Uni Plaza, I.I. Chundrigar Road, Karachi.

2. A member entitled to attend and vote all the general meetings, is entitled to appoint another member as proxy. Proxies in order to be effective must be received at the Company's Registrar or the Registered Office of the Company, not less than 48 hours before the time of for the meeting.

3. Any individual beneficial owner of C.D.C. entitled to attend and vote at this meeting must bring his / her Original National Identity Card or Original Passport and in case of proxy must enclose an attested copy of his / her N.I. Card or Passport. Representatives of corporate members should bring the usual documents required for such purpose.

4. Shareholders are requested to promptly notify the Company or the Registrars of the Company of any change in their address.

DIRECTOR'S REPORT TO THE MEMBERS

In the Name of Allah, Most Gracious, Most Merciful

Dear Shareholders,

The Directors of the Company feel pleasure in presenting 23rd Annual Report along with audited accounts of the Company for the year ended 30th June 2009.

The current year ending on September 30, 2009 witnessed marked improvement in your company's profitability despite overall crises in the industry. During the year under review, the company earned profit before tax of Rs. 37.883 Million as compared to Rs. 16.936 Million to the corresponding last year despite continuous international crises, power disruptions, and rising cost of production.

	2009 (Rupees)	2008 (Rupees)
FINANCIAL HIGHLIGHTS		
Sales	761,896,841	828,570,400
Gross Profit	55,995,477	39,672,823
Profit from Operations	37,882,972	16,935,541
Financial Cost	31,117,439	28,404,909
Pre tax Profit	10,733,783	(11,185,237)
Earning per Share Basic and diluted	0.60	(3.12)

OPERATION

During the year under review there was a constant reduction of power supply by IESCO (Wapda) throughout the year forcing Company to run its operations far below its operational capability. In cotton market there was an increasing trend in the prices of raw cotton as compared to the corresponding period of last year. Due to constant fluctuating trend in raw cotton prices in the international market has caused instability in the yarn market, which directly affected the direct cost. The cost of production has increased due to rising cost of utilities and other production expenses. The prices of yarn in the international market remain under recession through out the year due to sluggish demand.

The Company's annual production has reduced to 8,629 million KGs from 10.892 million KGs during the last year on 20/1 count because of reduction of power supply and electricity crises. The policy of the company is to maintain consistency in quality and provide quality yarn in the local as well as international markets at better prices over competitors.

DIVIDEND

The Company has capitalized Rs. 10.537 million during the year under review, against import of 2 sets 21C Auto Winder to improve quality from own source at Usance L/C basis therefore the management has decided not to declare dividend to its members.

TAXATION

The assessment of the Income Tax up to tax year 2008 have been filed and completed under the self assessment scheme. Provision for current taxation has been made in accordance with Section 154 and 169 of the Income Tax Ordinance 2001 on taxable income at the current tax rate after taking into account tax rebate and tax credits available, if any.

CODE OF CORPOPRAT GOVERNANCE

The Directors of your company are aware of their responsibilities under the code of corporate governance, incorporated in the listing regulations of Stock Exchange, in the country under instructions from SECP; we are taking all necessary steps to ensure good corporate governance as required under the code.

The following attachments are manifestation of its commitment towards high standards of Corporate Governance and continuous improvement.

a) The financial statements prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity.

b) Proper books of account of the company have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d) International Accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements and departure, if any, has been adequately disclosed.

e) The system of internal control is sound in design and has been efficiently implemented and monitored.

f) There are no significant doubts upon the company's ability to continue as a going concern.

g) There has been no material departure from the best practices of corporate governance, as detailed in listing regulations of Stock Exchange & Companies Ordinance 1984.

h) Key operating and financial data of last six years is summarized.

i) During the year, seven meetings of the Board of Directors were held and the attendance by each member is given at annexure.

j) We have an audit committee among members of Board of Directors.

   I) The pattern of share holding is annexed.
   II) Statement of Board Meeting held during the year and attendance by each director.

STAFF AND LABOUR

Relations between the management, Staff and labor continued to be good. On behalf of the board and myself, I would like to thank the workers and the staff members at all levels in enabling the company to operate efficiently and hope their efforts will continue during the year and year to come. Higher operating efficiencies with continuous innovation and improvement in yarn quality are the perquisites for future expansion and growth in shareholder value. The challenges for the committee would demand an ever-greater dexterity and ability to respond to rapidly changing external environment. With the various new initiatives already undertaking in the current year, the management is confident in continuing its positive program in terms of sales, value and profitability of the company.

AUDITORS

The present auditors, M/S Nasir Javaid Maqsood Imran, Chartered Accountants, Islamabad, have retired at the conclusion of the Annual General Meeting and have offered their services, for the ensuing year. On the recommendation of Audit Committee, the retiring auditors M/s Nasir Javaid Maqsood Imran, Chartered Accountants, Islamabad, have been appointed for the year ending 30th June 2010.

FUTURE OUT LOOK

The textile sector remains under pressure due to numerous reasons. Cotton prices have touched all time high of Rs. 3,500 per mound. The management has decided to invest in the future in order to cut down its expenses so that the company may also enjoy the same position in the future. Addition and modernization will result in decrease of costs.

From the beginning of current fiscal year the prices of cotton are currently hovering around Rs. 3500 per mound. Increase in global cotton demand and lower supply can increase the cotton prices further which can result in further deterioration in industry's profitability. Because of shortfall in the electricity supply the management is forced to run its operations below operational capacity level that will increase further cost of production and reduce prices.

In the international market the competition is became tough due to continuous rise of input costs that will have an adverse impact on your company's profitability. Under these circumstances the management of your company is striving hard to remain profitable.

PATTERN FOR SHARE HOLDING

The pattern of shareholding is annexed with this report.

ACKNOWLEDGEMENT

The Directors would like to take pleasure in expressing appreciation and thank all the employees and members of management team for their efforts, devotion and loyalty throughout the year. We would also like to acknowledge the support and cooperation received form valued customers. We also acknowledge the support of Government Agencies, financial institutions particularly Bank Al-Falah Limited, and the Board of Directors for their handwork, and efforts in achieving the best results for the Company in the year to come.

AUDIT COMMITTEE

The audit committee of the company comprises the following members, in compliance with the code of Corporate Governance.

1.	Mr. Asif Ali Raja	Chairman
2.	Mr. Mohammed Bashir Raja	Member
3.	Mr. Faisal Bashir Raja	Member

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORTE GOVERNANCE

The statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations of Karachi and Lahore Exchanges for purposes of establishing a frame work of good governance, whereby a listed company is managed in compliance with the best practice of corporate governance.

The Company has applied the principles contained in the code in the following manner:

1. The Board comprises seven directors, including the CEO.

2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company.

3. All the resident directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a Stock Exchange has been declared as defaulter by the stock exchange.

4. No casual vacancy occurred in the Board during the current year.

5. The company has prepared a "Statement of Ethics and Business Practices" which has been circulated to all the directors and employees of the Company.

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company.

7. All the powers of the Board have been duly exercised and decision on material transactions including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the Board.

8. The meeting of the Board was presided over by the Chairman / Director. The Board met at least once in every quarter Written notices of the Board meetings, along with agenda and working papers were appropriately circulated before the meetings. The minutes of the meeting were recorded and circulated.

9. Directors are well conversant with the listing regulations and legal requirements and as such are fully aware of their duties and responsibilities.

10. The Director's Report has been prepared in compliance with the requirements of the Code and fully describes the salient matters, required to be disclosed.

11. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.

12. 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.

13. The Company has complied with all the corporate and financial reporting requirements of the Code.

14. The Board has formed an audit committee, comprising three members, all of whom are non-executive directors.

15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the Code.

16. The Board has set up an effective internal audit function managed by suitably qualified and experienced personnel who are conversant with the policies and procedures of the Company. They are involved in the internal audit function on full time basis.

17. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating, under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics, as adopted by the Institute of Chartered Accountants of Pakistan.

18. 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.

19. We confirm that all other material principles contained in the Code have been complied with.

ATTENDANCE AT THE BOARD MEETINGS DURING THE YEAR 2008-09

Name of the Director	Total No. of Boards Meetings	No. of Meeting Attended
Mr. Ghulam Ali Raja	7	6
Mr. Mohammed Bashir Raja	7	7
Mr. Asif Ali Raja	7	7
Mr. Faisal Bashir Raja	7	7
Mst. Tasneem Akhtar	7	4
Mst. Yasmeen Begum	7	4
Mst. Asbah Rubina	7	5

CHAKWAL
October 09, 2009

GHULAM ALI RAJA
(Chairman)
N.I.C. No. 37201-8807770-7

FINANACIAL DATA AT A GLANCE
FROM 2004-2009

Rs Milloion

	2004	2005	2006	2007	2008	2009
Sales Revenue	863,665	892,592	876,606	861,007	828,570	761,897
Marketing & Administrative Expenses	16,502	26,505	28,719	28,083	7,412	9,061
(Loss)/Profit before Tax	4,303	71,345	34,091	15,414	11,185	10,733
Profit/(Loss) After Tax	(16,010)	72,708	18,700	5,362	(23,857)	4,573
Capital Expenditure	1,877	44,363	9,829	45,244	29,837	12,602
Shareholders' Equity	258,825	280,291	343,790	349,449	309,217	307,342
No.of Shares Outstanding	7,560	7,560	7,560	7,560	7,560	7,560
Break-up Value (Rs./Share)	34.24	37.08	45.47	46.22	40.65	40.65
Cash Divedend	NIL	NIL	NIL	NIL	NIL	NIL
Dividend per Share(Rs.)	NIL	NIL	NIL	NIL	NIL	NIL
Bonus Share (%)	NIL	NIL	NIL	NIL	NIL	NIL
Production converted on 20/s KG	13,375	9,719	12,302	12,065	10,892	8,629
Key Performance Indicators						
Return on Shareholders' Equity	(6.19)	25.94	5.44	1.53	(7.72)	1.49
Return on Total Assets	(3.08)	11.81	2.96	0.98	(3.90)	0.79
Earning per Share (Rs.)	(2.12)	9.62	2.47	0.71	(3.16)	0.60
Total Assets	520,305	615,455	630,941	548,473	611,719	578,608

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Al-Qadir Textile Mills Limited ("the Company") for the year ended 30 June 2009, to comply with the Listing Regulations of the Karachi Stock Exchange and Lahore Stock Exchange, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to enquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal controls cover all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub-Regulation (xiii a) of Listing Regulations 35 (Previously Regulation No.37) notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the board of directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price according proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirements to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

We have observed that the implementation of Code of Corporate Governance is still in process with respect to:

- Drafting of comprehensive Policies and Procedures as required under Clause viii (b) of the Code; and
- Internal Audit Reports as required under Clause xxxiv of the Code.

Based on our review, except for the matters noted above, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's Compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the company for the year ended 30 June 2009.

Islamabad

Dated: October 09, 2009

Nasir Javaid Maqsood Imarn

Chartered Accountants

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Al-Qadir Textile Mills Limited ("the Company") as at 30 June 2009 and the related profit and loss account, 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 accounts 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, investment 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, cash flow statement and the statement of the changes in equity together with the notes forming part thereof conform with the 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 affairs as at 30 June 2009 and of the profit, its cash flow and changes in equity for the year then ended; and

d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Date: October 09, 2009
Place: Islamabad

Nasir Javaid Maqsood Imran
Chartered Accountants

IMRAN UL HAQ, FCA

BALANCE SHEET
AS AT 30 JUNE 2009

	Note	2009 Rupees	2008 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized Share Capital			
15,000,000 (2008: 15,000,000) Ordinary shares of Rupees 10/- each		150,000,000	150,000,000
Issued, subscribed and paid up share capital	3	75,600,000	75,600,000
Deposits for shares	4	15,922,750	17,422,750
Un appropriated profit		122,787,292	109,940,552
Total equity		214,310,042	202,963,302
Surplus on revaluation of fixed assets	5	93,032,049	106,254,330
NON-CURRENT LIABILITIES			
Employee benefits	6	3,298,704	2,421,720
Deferred tax liability	7	69,609,806	65,032,902
		72,908,510	67,454,622
CURRENT LIABILITIES			
Trade and other payables	8	33,029,787	66,774,044
Accrued mark up on short term borrowings		7,373,750	6,105,123
Short term borrowings	9	151,421,781	162,168,281
Provision for taxation		6,532,421	-
		198,357,739	235,047,448
	10		
		578,608,340	611,719,702

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

Islamabad:
09 October 2009

CHIEF EXECUTIVE

	Note	2009 Rupees	2008 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	380,296,757	398,955,238
Long term deposits		444,599	444,599
		380,741,356	399,399,837
CURRENT ASSETS			
Stores and spares	12	7,712,113	8,787,173
Stock in trade	13	163,248,191	182,470,964
Trade debts	14	3,334,305	265,073
Advances	15	4,985,621	5,866,159
Security deposits and short term prepayments	16	339,650	1,043,675
Taxation recoverable		3,845,366	1,649,006
Other receivables	17	7,151,574	6,213,277
Cash and bank balances	18	7,250,164	6,024,538
		197,866,984	212,319,865
		578,608,340	611,719,702

DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 Rupees	2008 Rupees
SALES	19	761,896,841	828,570,400
COST OF SALES	20	705,901,364	788,897,577
GROSS PROFIT		55,995,477	39,672,823
SELLING AND DISTRIBUTION EXPENSES	21	5,897,871	10,210,762
ADMINISTRATIVE EXPENSES	22	9,061,319	7,412,437
OTHER OPERATING EXPENSES	23	3,153,315	5,114,083
		18,112,505	22,737,282
PROFIT FROM OPERATIONS		37,882,972	16,935,541
OTHER OPERATING INCOME	24	3,968,250	284,131
		41,851,223	17,219,672
FINANCE COST	25	(31,117,439)	(28,404,909)
PROFIT/(LOSS) BEFORE TAXATION		10,733,783	(11,185,237)
PROVISION FOR TAXATION	26	6,160,517	12,388,851
PROFIT/(LOSS) AFTER TAXATION		4,573,266	(23,574,088)
EARNINGS PER SHARE - BASIC AND DILUTED	27	0.60	(3.12)

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

CHIEF EXECUTIVE DIRECTOR

AL-QADIR TEXTILE MILLS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 Rupees	2008 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year before taxation		10,733,783	(11,185,237)
Adjustments for non-cash charges and other items:			
Depreciation		25,684,665	27,585,035
Worker's profit participation fund		564,936	-
Loss on disposal of fixed asset		2,270,379	4,889,083
Provision for gratuity		3,391,529	2,504,891
Financial expenses		31,117,439	28,404,909
Cash flows before working capital changes		73,762,731	52,198,681
Working capital changes:			
(Increase)/decrease in current assets			
Stores, spares		1,075,060	468,999
Stock in trade		19,222,773	(79,072,922)
Trade debts		(3,069,232)	14,493,064
Advances		880,538	(5,178,420)
Security deposits and short term prepayments		704,025	-
Increase/(decrease) in current liabilities			
Trade and other payables		(34,309,193)	4,070,053
		(15,496,029)	(65,219,226)
Cash generated from/(used in) operations		58,266,702	(13,020,545)
Finance cost paid		(29,848,812)	(25,581,734)
Income tax paid		(3,134,656)	(2,240,372)
Payment of staff retirement gratuity		(2,514,545)	(2,345,500)
Payment of worker's profit participation fund		-	(811,244)
Net cash from/(used in) operating activities		22,768,688	(43,999,395)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(10,546,562)	(30,005,474)
Proceeds from disposal of property, plant and equipment		1,250,000	2,000,000
Net cash used in investing activities		(9,296,562)	(28,005,474)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short term borrowings		-	77,458,153
Repayment of:			
Share deposit money		(1,500,000)	(7,027,250)
Short term borrowings - net		(10,746,500)	-
Net cash used in/(from) financing activities		(12,246,500)	70,430,903
Net increase/(decrease) in cash and cash equivalents		1,225,626	(1,573,966)
Cash and cash equivalents at the beginning of the year		6,024,538	7,598,504
Cash and cash equivalents at the end of the year	18	7,250,164	6,024,538

CHIEF EXECUTIVE DIRECTOR

AL QADIR TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Share Capital	Deposit for Shares	Accumulated Profit (Loss)	Total
	..................Rupees..................			
Balance as at 01 July 2007	75,600,000	24,450,000	122,780,265	222,830,265
Net profit for the year ended 30 June 2008	-	-	(23,574,088)	(23,574,088)
Refund of share deposit money		(7,027,250)		(7,027,250)
Surplus realized on incremental depreciation	-	-	7,826,008	7,826,008
Surplus realized on disposal of assets	-	-	2,908,367	2,908,367
Balance as at 01 July 2008	75,600,000	17,422,750	109,940,552	202,963,302
Net profit for the year ended 30 June 2009	-	-	4,573,266	4,573,266
Refund of share deposit money	-	(1,500,000)	-	(1,500,000)
Surplus realized on incremental depreciation	-	-	6,892,001	6,892,001
Surplus realized on disposal of assets	-	-	1,381,474	1,381,474
Balance as at 30 June 2009	75,600,000	15,922,750	122,787,292	214,310,042

CHIEF EXECUTIVE DIRECTOR

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

1.0 THE COMPANY AND ITS OPERATIONS

Al - Qadir Textile Mills Limited is a public company incorporated in Pakistan under the Companies Ordinance, 1984 and is quoted on Karachi and Lahore stock exchanges of Pakistan. Its registered office is situated at Raja house, near Makki Masjid, Chakwal, Pakistan. The company is engaged in the business of textile spinning.

2.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan .Approved accounting standard comprise of such International Financial Reporting Standards(IFRS) issued by International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provision of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting Convention

These financial statements have been prepared under the historical cost convention.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the 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 expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on market conditions existing at balance sheet date.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis .Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effect on the depreciation charge and impairment.

Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provision for doubtful debts

The Company reviews its receivable against any provision required for any doubtful balances on an ongoing basis .The provision is made while taking into consideration expected recoveries, if any.

d) Standard that is effective in current year

IFRS 7 'Financial Instrument: Disclosures'. The Securities and Exchange Commission of Pakistan (SECP) vide S.R.O 411(1)/2008 dated 28 April 2008 notified the adoption of IFRS 7.IFRS 7 is mandatory for Company's accounting period beginning on or after the date of notification i.e. 28 April 2008. IFRS 7 has superseded IAS 30 and disclosure requirements of IAS 32. Adoption of IFRS 7 has only impacted the format and extent of disclosures presented in the financial statements.

e) Standards, interpretations and amendments to published approved accounting standards that are effective in current year but not relevant

There are other new standards, interpretations and amendments to the published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2008 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards and amendments to published approved accounting standards that are not yet effective but relevant

Following standards and amendments to existing standards have been published and are mandatory for the company's accounting period beginning on or after 01 July 2009 or later periods:

IAS 1 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2009), issued in September 2007 revises the existing IAS 1 and requires apart from changing the names of certain financial statements, presentation of transactions with owners in statement of changes in equity and with non-owners in the Comprehensive Income Statement. Adoption of the aforesaid standard will only impact the presentation of the financial statements.

IAS 23 (Amendment) 'Borrowing Costs' (effective for annual periods beginning on or after 01 January 2009). It requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset .On adoption the option of immediately expensing those borrowing costs will be withdrawn. This change will not effect the financial statements as the Company already has the policy to capitalize its borrowing cost.

IFRS 7 (Amendment) 'Financial Instrument: Disclosures' (effective for annual period beginning on or after 01 January 2009). This amendment has expanded the disclosures required in respect of fair value measurements recognized in the statement of financial position. Moreover, amendments have also been made to the liquidity risk disclosures. Such amendments are not expected to have any significant impact on the Company's financial statements other than increase in disclosures.

There are other amendments resulting from May 2008 and April 2009 Annual Improvements to IFRSs, specifically in IFRS 8 'Operating segments', IAS 1 'Presentation of Financial Statements', IAS 7 'Statements of Cash flows', IAS 23 'Borrowing Costs', IAS 28 'Investment in Associates', IAS 36 'Impairment of Asset' and IAS 39 'Financial instrument: Recognition and Measurement' that are considered relevant to the Company's financial statements. These amendments are unlikely to have a significant impact on the Company's financial statements and have therefore not been analyzed in detail.

g) Standards, interpretations and amendments to published approved accounting standards that are not effective in current year and not considered relevant

There are other accounting standards, amendments to published approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after 1 July 2009 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employee Benefit

The company operates an unfunded gratuity for all of its permanent employees, who attain the minimum qualification period for entitlement to gratuity. Provision is made annually to cover the obligation on the basis of actuarial valuation and charged to income currently. The most recent actuarial valuation was carried out on 30 June 2009 using the Projected Unit Credit Method.

Actuarial gains and losses are recognized as income or expenses when the net cumulative unrecognized actuarial gains and losses for the plan at the end of the previous reporting period exceed 10% of the present value of defined benefit obligation at that date.

2.3 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation income. The charge for current tax is calculated using prevailing tax rates or tax rate expected to apply to the profit for the year if enacted The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

The carrying amount of deferred tax assets is reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of deferred tax asset to be utilized.

2.4 Foreign currencies

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date or rates fixed under the Exchange Rate Absorption Scheme of State Bank of Pakistan or forward exchange rate booking, while the transactions in foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non monetary items are translated in Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. The Company charges all the exchange differences to profit and loss account.

2.5 Property, Plant, equipment and depreciation

Owned

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land and capital work in progress are stated at cost less any recognized impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method so as to write off the cost / revalued amount of the assets over their estimated useful lives at the rates given in Note 11. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions up to the date when the asset is de-recognized.

The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss account in the year the asset is de-recognized.

2.6 Inventories

Inventories, except for stock in transit and waste stock /rags are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock in trade

Cost of raw material, work in process and finished good is determined as follows:

- For Raw material	Annual average basis
- For Work- in -process and finished goods	Average manufacturing cost including a portion of production overheads

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock/rags are valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessarily to make a sale.

2.7 Borrowing cost

Interest, mark-up and other charges on long term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long term finances. All other interest, mark up and other charges are recognized in profit and loss account.

2.8 Trade debts

Known bad debts are written off and provision is made against doubtful debts.

2.9 Revenue Recognition

Revenue from different sources is recognized as under:
- Revenue from sale of goods is recognized on delivery of goods to customers.
- Interest income is accounted for on accrual basis
- Rebate on exports is any is accounted for on actual receipt basis.

2.10 Share Capital

Ordinary shares are classified as equity.

2.11 Financial instruments

Financial instruments carried on the balance sheet include investments, deposits, trade debts, loans and advances, other receivables, cash and bank balances, long-term financing, short-term borrowings, accrued mark-up and trade and other payables etc. financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which is measured initially at fair value.

Financial assets are de-recognized when the company loses control of the contractual rights that comprise the financial assets. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement and de-recognition is charged to the profit or loss currently.

2.12 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.13 Impairment

The carrying amounts of the Company's asset are reviewed at each balance sheet to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated .An impairment loss is recognized whenever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account. .

2.14 Off setting

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is legal enforceable right to set off and the Company intends either to settle on a net basis, or to realize the asset and to settle the liabilities simultaneously.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank on current, saving and deposit accounts and other short-term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.16 Related party transaction

Transactions and contracts with the related parties are carried out at arm's length price determined in accordance with comparable uncontrolled price method.

2.17 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3.0 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2009	2008		2009	2008
No. of Shares			Rupees	Rupees
6,691,000	6,691,000	Ordinary shares of rupees 10 each issued for cash	66,910,000	66,910,000
869,000	869,000	Ordinary shares of rupees 10 each issued for consideration other than cash	8,690,000	8,690,000
7,560,000	7,560,000		75,600,000	75,600,000

4.0 DEPOSITS FOR SHARES

This represents an amount of rupees 24.45 million received from Chief Executive Officer Mr. Ghulam Ali Raja in 1993. Portion of this amount has been refunded in current year and previous year.

	2009 Rupees	2008 Rupees
5.0 SURPLUS ON REVALUATION OF FIXED ASSETS		
Opening balance	139,347,350	150,081,725
Deferred tax relating to revalued amount	38,041,827	33,093,020
Revaluation surplus net of deferred tax	101,305,523	116,988,705
Surplus realized during the year (net of deferred tax)		
- Disposal of property plant and equipment	1,381,474	2,908,367
- Incremental depreciation	6,892,001	7,826,008
	8,273,475	10,734,375
	93,032,049	106,254,330

The latest revaluation of property, plant and equipment was carried out on June 30, 2005 by independent valuers M/s Gulf Consultants using market based approach. The revaluation has been certified by M/s M. Yousuf Adil Saleem & Co., Chartered Accountants.

	2009 Rupees	2008 Rupees
6.0 GRATUITY - UNFUNDED DEFINED BENEFIT PLAN		
a) Liability recognized in the balance sheet:		
Present value of defined benefit obligation	3,033,462	2,208,133
Unrecognized actuarial gain	265,242	213,587
	3,298,704	2,421,720
b) Movement in present value of defined benefit obligation:		
Present value of defined benefit obligation at the beginning of the year	2,208,133	2,235,733
Current service cost	3,126,553	2,281,318
Interest cost	264,976	223,573
Benefits paid	(2,514,545)	(2,345,500)
Actuarial losses/(gains) on present value of defined benefit obligation	(51,655)	(186,991)
	3,033,462	2,208,133

		2009 Rupees	2008 Rupees
c)	**Movement in unrecognized actuarial gains/(losses):**		
	Unrecognized actuarial gains at beginning of the year	213,587	26,596
	Unrecognized actuarial gains arising during the year	51,655	186,991
		265,242	213,587
d)	**Movement in liability recognized in the balance sheet:**		
	Opening liability	2,421,720	2,262,329
	Expense for the year	3,391,529	2,504,891
	Benefits paid to employees	(2,514,545)	(2,345,500)
		3,298,704	2,421,720
e)	**Amount recognized in the profit and loss account:**		
	Current service cost	3,126,553	2,281,318
	Interest cost	264,976	223,573
		3,391,529	2,504,891
f)	**Expense is recognized in the following line items in the profit and loss account:**		
	Cost of sales	3,026,940	2,235,615
	Administrative expenses	364,589	269,276
		3,391,529	2,504,891

g) **Principal actuarial assumptions used in the actuarial valuation carried out as at 30 June 2008 are as follows:**

	2009	2008
Discount Rate	12% per annum	10% per annum
Expected Rate of Increase in Salary	11%	9% per annum
Average Expected Remaining Working Life of Employees	2 years	4 years

h) **General description of the type of plan**

The gratuity scheme is provided as retirement benefits for all its permanent employees who attain the minimum qualifying period. Annual charge is made on the basis of actuarial valuation carried out by actuaries using the Projected Unit Credit Method.

i) **Historical information**

Years	2009	2008	2007	2006	2005	2004
	....Rupees in '000'....					
Present value of defined benefit obligation	1,616	2,208	2,236	892	3,022	2,489
Experience adjustment on obligation	52	(187)	126	(192)	(8)	(16)

j) **Best Estimate of Contributions to be paid after the Balance Sheet Date**

The Company expects to contribute rupees 4.079 million towards the defined benefit gratuity plan in 2010.

		Notes	2009 Rupees	2008 Rupees
7.0	**Deferred Taxation**			
	Deferred Tax Liability			
	Differences in tax and accounting bases of assets		37,893,607	38,162,867
	Surplus on revaluation of property, plant and equipment		32,616,745	27,667,939
			70,510,352	65,830,806
	Deferred Tax Asset			
	Provision for doubtful trade debts		-	797,904
	Provision for gratuity		900,547	-
			69,609,806	65,032,902
8.0	**TRADE AND OTHER PAYABLES**			
	Trade Creditors	8.1	13,199,521	42,659,295
	Accrued and other payables		12,316,267	13,220,603
	Advance from customers		3,788,613	386,029
	Central excise duty on long term loan	8.2	-	7,058,703
	Excise duty payable on short term bank borrowings		1,798,632	1,798,632
	Export Expenses payable		-	70,000
	Withholding tax payable		760,270	979,234
	Workers profit participation fund	8.3	564,936	-
	Un claimed dividend		601,548	601,548
			33,029,787	66,774,044

8.1 This includes creditors secured against Letters of Credit amounting to Rupees Nil (2008: Rupees 26.806 million).

8.2 The case of central excise duty on long term loans and working capital under SRO 502/91 dated 30-5-1991 has been decided by the Honorable Supreme Court of Pakistan, Islamabad against the Company. The company has already made full provision against the central excise duty payable to National Bank of Pakistan amounting to Rs.7,058,703 and against which the Company has also issued guarantee in favor of National Bank of Pakistan for the payment of such duty. The guarantee is provided by Bank Al-Falah Limited, and is secured against 1st charge amounting to Rs. 10.00 million on the fixed assets of the company and personal guarantee of sponsoring directors.

		2009	2008
8.3	Workers' profit participation fund		
	Opening balance	-	811,244
	Allocation for the period	564,936	-
		564,936	811,244
	Paid during the period	-	(811,244)
		564,936	-

8.3.1 The company retains worker's profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers Participation Act, 1968) on funds utilized by the company till the date of allocation to workers.

		Notes	2009 Rupees	2008 Rupees
9.0	**SHORT TERM BORROWINGS**			
	Cash Finance - Bank Al-Falah Limited	9.1	151,000,000	162,000,000
	Due to director	9.2	421,781	168,281
			151,421,781	162,168,281

9.1 This represents Cash Finance obtained from Bank Al-Falah Limited to the extent of Rupees 350.00 million (2008: Rupees 350.00 million). The facility expires on 30 September 2009 and is renewable every year. It carries interest rate calculated at 3 months KIBOR(Ask) + 2.25% (2008: 3 months KIBOR(Ask) + 2.0%). The facility is secured against pledge of fresh crop of raw cotton bales at 10% margin on KCA rates (ex-gin prices).

This represents US Dollar/Pak Rupee financing against export LCs and firm contracts to the extent of Rupees 250.00 million (2008: Rupees 250.00 million). The facility expires on February 28, 2010 and is renewable every year. It carries interest rate calculated at Dollar based LIBOR+2% with a floor of 4%, and/or Rupee based 3 month KIBOR+2.25 % with no floor no cap. The facility is secured against pledge of fresh crop of raw cotton bales at 10% margin on KCA rates (ex-gin prices), and lien on clean export documents drawn under LC.

Other facilities obtained by the company:

Sr. No.	NATURE OF FACILITY	2009		2008	
		LIMIT	MARK UP / COMMISSION	LIMIT	MARK UP / COMMISSION
		Rupees (Million)		Rupees (Million)	
1	FBP (Clean)	200	SOC	200	SOC
2	FBP (Discrepant Doc)	30	SOC	30	SOC
3	LBP (120 Days) Post Acceptance	150	3M KIBOR +2.25%		Not obtained
4	Sub Limit of LBP-Discrepant (Pre Accept)	30	3M KIBOR +2.25%	30	3M KIBOR +2%
5	SLC	50	0.20% for 1st qtr and 0.10% for Subqt. Qtrs and PAD as per CF-P rare max for 6 days and penal rate thereafter	50	0.20% for 1st qtr and 0.10% for Subqt. Qtrs and PAD as per CF-P rare max for 6 days and penal rate thereafter
6	Sub limit of SLC ULC (Inland) Acceptance (90 Days)	40	-do-	40	0.25%per quarter
7	Sub Limit of CF (P) FIM 90 Days	25	3M KIBOR +2.25%		Not obtained

These facilities from Bank Al-Falah are further secured against 1st charge on entire current assets.

9.2 This represents un-secured interest free loan obtained from the directors of the Company.

	Notes	2009	2008
		Rupees in million	
10.0 CONTINGENCIES AND COMMITMENTS			
Contingencies			
Bank Al-Falah FAFB/FDBC (Export Refinance)	10.1	18.98	31.55
Commitments			
LCs for Import of Assets		-	26.80

		2009	2008
		Rupees	Rupees
11.0 PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipment	11.1	380,296,757	396,899,565
Capital work in progress - Factory building in unit one		-	2,055,673
		380,296,757	398,955,238

11.1 Property, plant and equipment:

PARTICULARS	COST / REVALUATION			ACCUMULATED DEPRECIATION			Net Book Value as at 30 June2009	RATE
	As at 01 July 2008	Additions/ (Disposals)	As at 30 June2009	As at 01 July 2008	For the year/ (Adjustments)	As at 30 June2009		
	Rupees							%
Freehold land	20,662,500	-	20,662,500	-	-	-	20,662,500	-
Building on freehold land	83,876,100	2,055,673	85,931,773	11,962,829	3,595,664	15,558,493	70,373,280	5
Plant and machinery	364,625,322	10,536,562	371,161,884	65,459,016	21,240,753	85,972,084	285,189,800	5-15
		(4,000,000)			(727,685)			
Office equipment	1,116,460	10,000	1,126,460	690,959	43,383	734,342	392,118	10
Furniture and fixture	1,687,659	-	1,687,659	1,232,211	45,545	1,277,756	409,903	10
Telephone installations	429,519	-	429,519	359,075	7,044	366,119	63,400	10
Vehicles	9,765,830	(510,000)	9,255,830	5,559,735	752,275	6,050,074	3,205,756	20
					(261,936)			
2009	482,163,390	12,602,235	490,255,625	85,263,825	25,684,665	109,958,869	380,296,757	
		(4,510,000)			(989,621)			
2008	460,326,016	29,837,374	482,163,390	58,789,707	27,585,035	85,263,825	396,899,565	
		(8,000,000)			(1,110,917)			

11.2 Depreciation for the year has been allocated as under:

	2009 Rupees	2008 Rupees
Cost of goods sold	24,836,417	26,432,958
Administrative expenses	848,248	1,152,077
	25,684,665	27,585,035

11.3 Detail of assets disposed off during the year:

Qty.	Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Profit/ (loss)	Mode of Disposal	Sold to
			Rupees					
1	Autocone machine	4,000,000	727,685	3,272,315	900,000	2,372,315	Negotiation	Feroze corporation, People's Colony Faisalabad.
1	Toyota Corolla IDM 6237	510,000	288,048	221,952	350,000	128,048	Negotiation	Raja M. Ikram ul Haq, NIC#37201-4126138-3

11.4 Freehold land, building on freehold land and plant and machinery are stated at valuation. Had there been no revaluation, related figures of these assets as at 30 June 2009 would have been as follows:

	Cost	Accumulated Depreciation	Written Down Value
	Rupees		
Freehold land	2,829,645	-	2,829,645
Building on freehold land	55,051,956	38,452,576	16,599,380
Plant and machinery	435,722,235	281,384,398	154,337,837
2009	493,603,836	319,836,974	173,766,862
2008	498,194,439	312,184,288	186,010,151

		Notes	2009 Rupees	2008 Rupees
12.0	STORES, SPARES AND LOOSE TOOLS			
	Stores		7,628,519	7,445,226
	Spares and loose tools		83,594	1,341,947
			7,712,113	8,787,173
13.0	STOCK-IN-TRADE			
	Raw material		146,783,543	169,707,865
	Work-in-process		6,305,329	6,978,386
	Finished goods		9,174,913	5,567,842
	Waste		984,405	216,871
			163,248,190	182,470,964
14.0	TRADE DEBTS			
	Unsecured - considered good		3,334,305	3,883,687
	Less: Provision for doubtful debts	14.1	-	(3,618,614)
			3,334,305	265,073

14.1 The related debt is assumed to be good.

		Notes	2009 Rupees	2008 Rupees
15.0	ADVANCES			
	Advances considered good			
	- To Suppliers		4,202,468	5,073,717
	- To Staff		783,153	792,442
			4,985,621	5,866,159
16.0	SECURITY DEPOSITS AND SHORT TERM PREPAYMENTS			
	Excise duty		244,486	119,947
	Letter of credit margin		-	706,673
	Prepayments		95,164	217,055
			339,650	1,043,675

17.0 OTHER RECEIVABLES

This represents sales tax refundable to the company.

		Notes	2009 Rupees	2008 Rupees
18.0	CASH AND BANK BALANCES			
	Cash in hand		310,328	40,638
	Cash at banks:			
	Current accounts including US$ 16,964 (2008: US$ 18,940)		5,480,196	2,001,736
	Saving accounts	18.1	1,459,641	3,982,164
			6,939,836	5,983,900
			7,250,164	6,024,538

18.1 Rate of profit on bank deposit is 5% (2008: 5 %) per annum.

		Notes	2009 Rupees	2008 Rupees
19.0	SALES			
	Local:			
	Yarn		589,125,388	596,392,196
	Waste		6,661,439	7,042,133
			595,786,827	603,434,329
	Export of yarn		166,110,014	225,136,071
			761,896,841	828,570,400

	Notes	2009 Rupees	2008 Rupees
20.0 COST OF SALES			
Raw Material Consumed	20.1	523,894,268	584,110,279
Salaries, Wages and Benefits	20.2	44,505,877	47,604,562
Packing Material		11,303,771	12,093,785
Fuel and Power		90,376,590	93,364,798
Stores and Spares Consumed		1,307,098	1,228,401
Repairs and Maintenance		8,521,077	15,729,189
Insurance		1,419,000	1,214,946
Cotton Cess		641,460	621,700
Depreciation		24,836,417	26,432,958
Miscellaneous		2,797,354	2,933,873
		709,602,912	785,334,491
Work-in-Process			
Opening stock		6,978,386	4,094,114
Closing stock		(6,305,329)	(6,978,386)
		673,057	(2,884,272)
Cost of Goods Manufactured		710,275,969	782,450,219
Finished Goods			
Opening stock		5,784,713	12,232,071
Closing stock		(10,159,318)	(5,784,713)
		(4,374,605)	6,447,358
		705,901,364	788,897,577

20.1 Raw material consumed

	2009 Rupees	2008 Rupees
Opening Stock	169,707,865	87,071,858
Purchases	500,969,946	666,746,286
	670,677,811	753,818,144
Closing balance	(146,783,543)	(169,707,865)
	523,894,268	584,110,279

20.2 This includes employees retirement benefits amounting to Rupees 3,026,940/- (2008: Rupees 1,874,100/-)

21.0 SELLING AND DISTRIBUTION" EXPENSES

	2009 Rupees	2008 Rupees
Local sales Expenses	-	13,000
Export Expenses and Freight	3,796,498	5,367,915
Commission Paid on Local Sales	25,000	1,039,310
Commission Paid on Export Sales	2,076,373	3,790,537
	5,897,871	10,210,762

22.0 ADMINISTRATIVE EXPENSES

	Notes	2009 Rupees	2008 Rupees
Salaries, Wages and Benefits	22.1	3,018,597	2,291,307
Directors' Remuneration		1,478,006	1,138,478
Repairs and Maintenance		202,095	-
Insurance		202,054	210,818
Vehicle Running and Maintenance		747,987	558,067
Traveling and Conveyance		289,813	102,900
Entertainment		64,875	47,119
Postage and Telecommunication		865,288	758,761
Printing and Stationery		221,052	134,254
Legal and Professional charges		323,000	276,726

	Notes	2009 Rupees	2008 Rupees
Fees and Subscription		159,865	300,311
ISO System Expenses		95,797	92,455
Guest House Expenses		129,319	183,507
Depreciation		848,248	1,152,077
Miscellaneous expenses		415,323	165,657
		9,061,319	7,412,437

22.1 This includes employees retirement benefits amounting to Rupees 364,589 (2008 : Rupees 1,024,085/-).

23.0 OTHER OPERATING EXPENSES

	Notes	2009 Rupees	2008 Rupees
Auditors' remuneration	23.1	315,000	220,000
Donations	23.2	3,000	5,000
Workers' profit participation fund		564,936	-
Loss on sale of fixed asset		2,270,379	4,889,083
		3,153,315	5,114,083

23.1 AUDITORS' REMUNERATION

	2009 Rupees	2008 Rupees
Audit fee	300,000	150,000
Out of Pocket expenses	15,000	-
Tax and other services	-	25,000
Half Yearly Review	-	45,000
	315,000	220,000

23.2 None of the directors and their spouses have any interest in the donee's fund.

24.0 OTHER OPERATING INCOME

	2009 Rupees	2008 Rupees
Profit on Short Term Deposits	204,013	268,131
Gain on Exchange	145,623	-
Insurance claim	-	16,000
Reversal of provision for doubtful debts	3,618,614	-
	3,968,250	284,131

25.0 FINANCE COST

	2009 Rupees	2008 Rupees
Markup on Short Term Finance	28,365,426	22,761,313
Other fee and commission	-	-
Bank charges and commission	2,752,014	5,643,596
	31,117,439	28,404,909

26.0 PROVISION FOR TAXATION

	2009 Rupees	2008 Rupees
Current year		
Current	6,532,421	2,240,372
Deferred	(371,904)	10,148,479
	6,160,517	12,388,851

26.1 Provision for taxation has been made in accordance with sections 154 and 169 of the Income Tax Ordinance 2001. The assessments of the company have been finalized upto tax year 2006.

26.2 No numeric tax rate reconciliation is given as the taxation of the company falls under final tax regime.

26.3 The applicable tax rate is 35% (2008: 35%) on the taxable income of the company.

27.0 EARNINGS PER SHARE - BASIC AND DILUTED

Profit/(loss) after taxation			4,573,266	(23,574,088)
Number of ordinary share outstanding	Number		7,560,000	7,560,000
Earning per share	Rupees	27.1	0.60	(3.12)

27.1 No figure for diluted earning per share has been presented as the company has not issued any instrument carrying options which would have an impact on the basic earnings per shares, when exercised.

28.0 REMUNERATION OF CHIEF EXECUTIVE & DIRECTORS

	2009		2008	
	Chief Executive	Director	Chief Executive	Director
	......................Rupees......................			
Remuneration	-	1,175,500	-	859,000
Utilities and other benefits	-	302,506	-	279,478
	-	1,478,006	-	1,138,478
Number	1	2	1	2

29.0 FINANCIAL RISK MANAGEMENT

29.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to bank balances. The Company uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Company's exposure to currency risk was as follows:

	2009	2008
Cash at banks - USD	16,964	18,940

The following significant exchange rates were applied during the year:

Rupees per US Dollar		
Average rate	81.06	62.77
Reporting date rate	81.47	68.35

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 69,144 and Rupees 69,046 respectively higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk as the company has not made any investment in equity instruments of other companies.

(iii Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was:

	2009	2008
	............Rupees............	
Floating rate instruments		
Financial assets		
Bank balances- saving accounts	1,459,641	3,982,164
Financial liabilities		
Short term borrowings	151,000,000	162,000,000

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher/ lower with all other variables held constant, profit after taxation for the year would have been Rupees 972,012 (30 June 2008: Rupees 1,027,116) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities/deposits outstanding at balance sheet dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2009	2008
	............Rupees............	
Long term deposits	444,599	444,599
Trade debts	3,334,305	265,073
Bank balances	6,939,836	5,983,900
	10,718,740	6,693,572

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2009	2008
	Short Term	Long term	Agency	............Rupees............	
Banks					
National Bank of Pakistan	A-1+	AAA	JCR-VIS	56,470	115,758
Allied Bank Limited	A1+	AA	PACRA	13,965	85,158
Bank Alfalah Limited	A1+	AA	PACRA	839,480	3,390,098
Habib Bank Limited	A-1+	AA+	JCR-VIS	2,849,058	102,705
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	-	213
MCB Bank Limited	A1+	AA+	PACRA	2,987,879	2,068,515
United Bank Limited	A-1+	AA+	JCR-VIS	2,889	36,105
Silkbank Limited	A-3	A -	JCR-VIS	185,119	185,348
				6,934,860	5,983,900

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 14.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2009, the Company had Rupees 180 million available borrowing limits from financial institutions and Rupees 7.245 million cash and bank balances. Also the Company has positive working capital position at the year end. So, management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2009

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month
	Rupees			
Trade and other payables	26,117,336	26,117,336	25,215,482	901,854
Accrued mark-up	7,373,750	7,373,750	7,373,750	-
Short term borrowings	151,421,781	151,421,781	-	151,421,781
	184,912,867	184,912,867	32,589,232	152,323,635

Contractual maturities of financial liabilities as at 30 June 2008

	Carrying Amount	Contractual Cash Flows	6 month or less	6-12 month
	Rupees			
Trade and other payables	66,942,325	66,942,325	64,241,839	2,700,486
Accrued mark-up	6,105,123	6,105,123	6,105,123	-
Short term borrowings	162,000,000	162,000,000	-	162,000,000
	235,047,448	235,047,448	70,346,962	164,700,486

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates/ markup rates effective as at 30 June. The rates of interest/ markup have been disclosed in note 9 and note 18 to these financial statements.

29.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

29.3 Financial instruments by categories

	2009	2008
	FINANCIAL ASSETS	
Assets as per balance sheet	.............Rupees.............	
Long term deposits	444,599	444,599
Trade debts	3,334,305	265,073
Advances	-	792,442
Deposits and other receivables	-	1,043,675
Cash and bank balances	7,250,164	6,024,538
	11,029,068	8,570,327
	FINANCIAL LIABILITIES	
Liabilities as per balance sheet	.............Rupees.............	
Trade and other payables	26,117,336	66,942,325
Accrued mark-up	7,373,750	6,105,123
Short term borrowings	151,421,781	162,000,000
	184,912,867	235,047,448

29.4 Capital Risk Management

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry and the requirements of the lenders, the company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent short term borrowings obtained by the company. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'. The company's strategy is to maintain debt burden at minimum possible level.

	2009 Rupees	2008 Rupees
Borrowings	151,000,000	162,000,000
Total equity	214,310,042	202,963,302
Total capital employed	365,310,042	364,963,302
Gearing ratio (Percentage)	41.33	44.39

30.0 PLANT CAPACITY AND PRODUCTION

	2009	2008
Number of Spindles Installed	35,668	35,668
Installed Capacity in 20's Count for 782 Shifts (2008:1095 Shifts) in kgs (approximately)	11,235,420	11,235,420
Actual Production after Conversion into 20's Count in kgs	8,629,207	10,891,815

31.0 CORRESPONDING FIGURES

No significant reclassification / rearrangement of corresponding figures have been made except the followings:

ACCOUNT HEAD	FROM	TO	AMOUNT Rupees
Auditors' remuneration	Administrative expenses	Other operating expenses	220,000
Donations	Administrative expenses	Other operating expenses	5,000

32.0 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue on October 09, 2009 by the Board of Directors of the Company.

33.0 GENERAL

Figures have been rounded off to the nearest rupees unless otherwise restated.

CHIEF EXECUTIVE

DIRECTOR

AL-QADIR TEXTILE MILLS LIMITED

PATTERN OF HOLDING OF SHARES HELD BY SHAREHOLDERS AS AT JUNE 30, 2009

NUMBER OF SHARES HOLDERS	SHARE HOLDINGS		TOTAL SHARES HELD
206	1	100	20,600
1727	101	500	748,500
34	501	1000	31,400
37	1001	5000	102,200
4	5001	10000	28,400
14	10001	above	6,628,900
2022			7,560,000

CATEGORIES OF SHARESHOLDINGS AS AT JUNE 30, 2009

CATERGORIES OF SHARE HOLDERS	NUMBER OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
1 INDIVIDUAL	2011	7,523,800	99.5211
2 INVESTMENT COMPANY	5	8,900	0.1177
3 INSURANCE COMPANY	1	100	0.0015
4 FINANCIAL INSTITUION	1	18,500	0.2447
5 MODARABA COMPANY	2	7,800	0.1031
6 JOINT STOCK COMPANIES	2	900	0.0119
TOTAL	2022	7,560,000	100

AL-QADIR TEXTIE MILLS LIMITED

DISCLOSURE TO PATTERN OF SHAREHOLDING AS ON JUNE 30, 2009

(% OF SHAREHOLDING INDICATED WHERE SHAREHOLDING 0% AND MORE)

CATEGORIES OF SHERHOLERS	IN PAPER	IN C.D.C.	TOTAL SHARES	%
ASSOCIATED COMPANIES	NIL	NIL	NIL	NIL
ICP				
INVESTMENT CORP. OF PAKISTAN	7,100	-	7,100	0.0939
IDBP (ICP UNIT)	-	300	300	0.0039
	7,100	300	7,400	0.0978
BANKS, DEVELOPMENT FINANCE INSTITUTION, NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS,JOINT STOCK COMPANIES				
NATIONAL DEVELOP LEASING CORPORATION LTD.	18,500	-	18,500	0.2447
CRESCENT INVESTMENT BANK LTD	500	-	500	0.0066
THE CRESCENT STAR INSURANCE COMPANY	100	-	100	0.0013
UNICAP MUDARABA	5,000	-	5,000	0.0661
FIRST INTER FUND MODARABA	2,800	-	2,800	0.0370
NBP-INVESTOR'S A/C.	500	-	500	0.0066
PRUDENTIAL SECURITIES LIMITED	-	200	200	0.0026
PYRAMID INVESTMENTS (PVT) LTD.	-	500	500	0.0066
DURVESH SECURITIES (PVT) LTD	-	700	700	0.0092
	27,400	1,400	28,800	0.3807
GRAND TOTAL	34,500	1,700	36,200	0.1359
DIRECTORS,SPONSORS CEO AND EXECUTIVES: (SPOUSES AND MINOR CHILDREN INCLUDED)				
MR.GHULAM ALI RAJA (CHIEF EXECUTIVE)	2,818,000	26,000	2,844,000	37.6191
MR.MUHAMMAD BASHIR RAJA (DIRECTOR)	787,050	-	787,050	10.4107
MR.FAISAL RAJA (DIRECTOR)	10,000	66,750	76,750	1.0152
MR. ASIF ALI RAJA (DIRECTOR)	50,000	83,250	133,250	1.7625
MST.TASNEEM AKHTAR (DIRECTOR)	204,050	-	204,050	2.6991
MST.YASMEEN BEGUM (DIRECTOR)	116,600	-	116,600	1.5423
MST. ASBAH RUBINA (DIRECTOR)	58,300	-	58,300	0.7712
MR.ZAFAR ALI RAJA	51,500	-	51,500	0.6812
GRAND TOTAL	4,095,500	176,000	4,271,500	56.5013
GERERAL PUBLIC - INDIVIDUAL PHYSICAL AND CDC	3,078,000	174,300	3,252,300	43.2381
TOTAL	7,208,000	352,000	7,560,000	100.0000

SHAREHOLDERS HOLDING 10% OR MORE
DIRECTORS, SPONSORS CEO AND EXCUTIVES:
(SPOUSES AND MINOR CHILDREN INCLUDED)

MR. GHULAM ALI RAJA (CHIEF EXECUTIVE)	2,844,000	37.6191
MR. MUHAMMAD BASHIR RAJA (DIRECTOR)	787,050	10.4107

PROXY FORM

I/WE ……………………………………………………………………………………………………

Of………………………………………………………………………………………………………

A member of AL-QADIR TEXTILE MILLS LIMETED and holder of ……………………….

Ordinary shares, as per Registered Folio No……………do hereby appoint ……………..…

Of ………………………………………………………………………………………………….

A member of AL-QADIR TEXTILE MILLS LIMITED, vide registered Folio No…………..

As my / our proxy to act on my / our behalf at the 23rd Annual General Meeting of the Company to be lf on 30th October, 2009 at 12:30 p.m. at Mills 6 K.M Jhelum Road, Chakwal and or at any adjournment thereof.

Signed this……………….day of October, 2009

Signature………………………………………..

Affix
Five Rupee
Revenue
Stamp

(Signature should agree with the specimen signature registered with the Company)

NOTICE

1. No proxy shall be valid unless it is duly stamped with a revenue stamp worth Rs. 5.
2. In the case of Bank or Company, the proxy must be executed under its common seal and signed by its authorized person.
3. Power of attorney or other authority (if any) under which this proxy form is signed then a notarially certified copy of that power of attorney must be deposited along with this proxy form.
4. This form of proxy duly completed must be deposited at the Registered Office of Company at least 48 hours the time of holding the meeting.