

## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Mohammad Shaheen Mr. Mohammad Salim Mr. Mohammad Sharif Mr. Mohammad Shakeel Mr. Khurram Salim Mr. Bilal Sharif Mr. Mohammad Amin Mr. Adil Shakeel	Chief Executive / Director Director Director Director Director Director Director Director
<b>COMPANY SECRETARY</b>	Mr. Asif Mahmood FCA, FCIS, FITM, FICS, APA	
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Anwar Hussain, FCA	
<b>AUDIT COMMITTEE</b>	Mr. Khurram Salim Mr. Bilal Sharif Mr. Mohammad Sharif	Chairman Member Member
<b>AUDITORS</b>	Rahman Sarfaraz Rahim Iqbal Rafiq. Chartered Accountants # 4, Block-B, 90-Canal Park Gulberg II, Lahore.	
<b>LEGAL ADVISOR</b>	Mr. Shahid Pervaiz Jami	
<b>BANKERS</b>	MCB Bank Limited Bank Al-Habib Bank of Punjab Limited Hong Kong and Shanghai Banking Corp. Ltd.	
<b>REGISTERED OFFICE</b>	Umer Chambers, 10/2 Bilmoria Street, Off. I.I. Chundrigar Road, Karachi. Tel: (021) 2635916 - 17 Fax: (021) 263 - 7826 E-mail: khioff@umergroup.com Website: www.umergroup.com	
<b>LIAISON/CORRESPONDENCE OFFICE:</b>	9th Floor, City Tower, 6-K, Main Boulevard, Gulberg II, Lahore. Tel: (042) 5770001-3 (111-130-130) Fax: (042) 5770015 E-mail: lhroff@umergroup.com Website: www.umergroup.com	
<b>MILLS AT:</b>	Spinning, Weaving & Power Generation units are situated at Feroze Watwan, Shaikhupura, Punjab Tel: (0496) 731724	



of Companies

## BLESSED TEXTILES LIMITED

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### **DIRECTORS REVIEW**

The directors have pleasure in submitting un-audited quarterly financial statements for the third quarter ended on March 31, 2007 in accordance with the requirements of section 245 of the Companies Ordinance, 1984.

#### **FINANCIAL RESULTS**

Allahumdulillah, your company has earned a net after tax profit of Rs. 90.312 million (March 2006: Rs. 122.882 million). The net sales of the company has reduced by Rs. 303.421 million which is due to the reason that the company was accepting orders in excess of the production capacity and exporting the commercially viable order through local procurement. The net sales have been decreased whereas the gross profit margin has increased by 1.91%. The distribution cost has been decreased due to decrease in net sales whereas the administrative expenses shows normal increasing trend. The financial cost has increased from Rs. 105.733 million to Rs. 137.559 million due to financing in unit No. 3 of the company. The increase in mark up rates / KIBOR especially on long term loans are causing increase in finance cost. The Earning Per Share (EPS) at the end of the third quarter ended on March 31, 2007 is Rs. 14.04 (March 2006: Rs. 19.10).

#### **YEAR UNDER REVIEW**

The prices of raw cotton remained on higher side and the yarn prices have still not reflected any signs of recovery. The local and international markets are depressed and there is lack of feasible orders. The financial cost on long term loans are high and the Government should allow LTF-EOP facility on machinery of spinning sector as well, otherwise the spinning unit will face great difficulty in following period. The weaving unit of the company has availed the Facility of LTF-EOP and the effect of decline in mark up will be visible in the subsequent period. The management is monitoring the situation and has decided to diversify its spinning Unit No III to the production of course count. The management has decided to add Auto conners, simplex, drawing frame and combers to have such diversification in Unit III. The management is delicately focusing the situation but there is a bleak situation unless there is a positive change in the government policy.

#### **THANKS AND GRATITUDE.**

Your director would like to place their appreciation of the cooperation of the financial institutions and dedication shown by the executives, officers, staff members and workers of the company in the performance of their duties. The directors do hope that it will continue in future.

On behalf of the Board

MOHAMMAD SHAHEEN  
CHIEF EXECUTIVE / DIRECTOR

*Karachi: April 27, 2007*



BLESSED TEXTILES LIMITED

**BALANCE SHEET  
AS AT MARCH 31 , 2007**

	<b>March 31, 2007 Rupees</b>	<b>June 30, 2006 Rupees</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b><u>SHARE CAPITAL AND RESERVES</u></b>		
Authorized capital		
6,500,000 (2006: 6,500,000) ordinary shares of Rs.10 each	<b>65,000,000</b>	<b>65,000,000</b>
Issued, subscribed and paid up capital	64,320,000	64,320,000
General Reserves	530,000,000	530,000,000
Unappropriated profits	93,278,587	7,790,725
	<b>687,598,587</b>	<b>602,110,725</b>
Loan from Sponsors - unsecured	4 <b>100,000,000</b>	-
<b><u>NON CURRENT LIABILITIES</u></b>		
Long-term financing - secured	5 555,662,879	773,571,428
Liabilities against assets subject to finance lease	-	16,531,736
Long-term murabaha - secured	6 54,545,456	81,818,183
Deferred liabilities	28,890,996	20,889,982
	<b>639,099,331</b>	<b>892,811,329</b>
<b><u>CURRENT LIABILITIES</u></b>		
Trade and other payables	139,217,736	107,799,859
Mark-up accrued on loans	17,712,283	13,008,063
Short-term borrowings - secured	756,116,626	542,822,800
Current portion of long term borrowings	333,068,063	241,375,362
Provision for taxation	27,433,913	40,698,304
	<b>1,273,548,621</b>	<b>945,704,388</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	7 -	-
	<b>2,700,246,539</b>	<b>2,440,626,442</b>

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

  
**MOHAMMAD SHAHEEN  
CHIEF EXECUTIVE**



BLESSED TEXTILES LIMITED

**BALANCE SHEET**  
**AS AT MARCH 31 , 2007**

<u>ASSETS</u>	<b>March 31, 2007 Rupees</b>	<b>June 30, 2006 Rupees</b>
<b><u>FIXED ASSETS</u></b>		
Property, plant and equipment	8 1,645,944,721	1,658,154,233
Capital work-in-progress	24,073,394	-
	<b>1,670,018,115</b>	<b>1,658,154,233</b>
 <b><u>LONG-TERM LOANS</u></b>	 <b>3,105,752</b>	 <b>3,783,619</b>
 <b><u>LONG-TERM DEPOSITS</u></b>	 <b>6,975,418</b>	 <b>16,083,418</b>
 <b><u>CURRENT ASSETS</u></b>		
Stores, spares and loose tools	26,117,607	23,036,869
Stock in trade	645,498,112	466,592,913
Trade debts	226,920,345	139,753,415
Loans and advances	61,872,400	94,619,968
Trade deposits and short term prepayments	11,013,154	1,634,521
Other receivables	21,542,456	22,324,049
Taxation	5,675,851	572,880
Bank balances	21,507,329	14,070,557
	<b>1,020,147,254</b>	<b>762,605,172</b>
	<b>2,700,246,539</b>	<b>2,440,626,442</b>

**MOHAMMAD SALIM**  
**DIRECTOR**



of Companies

BLESSED TEXTILES LIMITED

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED MARCH 31, 2007**

NINE MONTHS ENDED

THIRD QUARTER ENDED

**March 31, 2007**    **March 31, 2006**    **March 31, 2007**    **March 31, 2006**

-----Rupees-----

-----Rupees-----

Sales	1,988,779,570	2,292,200,123	746,395,676	720,215,697
Cost of goods sold	1,666,531,438	1,964,754,945	653,180,710	596,811,390
<b>Gross profit</b>	<b>322,248,132</b>	<b>327,445,178</b>	<b>93,214,966</b>	<b>123,404,307</b>
Other operating income	595,123	407,401	190,592	93,159
	<b>322,843,255</b>	<b>327,852,579</b>	<b>93,405,558</b>	<b>123,497,466</b>
Distribution cost	34,455,829	36,106,409	13,701,945	12,889,638
Administrative expenses	26,454,463	24,052,044	7,287,250	7,513,143
Other operating expenses	6,639,127	8,113,765	1,374,459	3,071,775
Finance cost	137,558,588	105,733,061	46,258,988	50,362,507
	<b>205,108,007</b>	<b>174,005,279</b>	<b>68,622,642</b>	<b>73,837,063</b>
<b>Profit before tax</b>	<b>117,735,248</b>	<b>153,847,300</b>	<b>24,782,916</b>	<b>49,660,403</b>
Provision for taxation	27,423,386	30,965,504	10,241,514	9,803,532
<b>Profit after tax</b>	<b>90,311,862</b>	<b>122,881,796</b>	<b>14,541,402</b>	<b>39,856,871</b>
Earnings per share - basic and diluted	<b>14.04</b>	<b>19.10</b>	<b>2.26</b>	<b>6.20</b>

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

**MOHAMMAD SHAHEEN  
CHIEF EXECUTIVE**

**MOHAMMAD SALIM  
DIRECTOR**



of Companies

BLESSED TEXTILES LIMITED

**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED MARCH 31, 2007**

	MARCH 31, 2007 Rupees	MARCH 31, 2006 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	117,735,248	153,847,300
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	128,540,000	101,370,000
Provision for employee benefits	7,767,000	4,725,000
(Gain) / loss on disposal of property, plant and equipment	(595,123)	(407,401)
Finance cost	137,558,588	105,733,061
	<b>391,005,713</b>	<b>365,267,960</b>
Decrease/(increase) in stores, spare parts and loose tools	(3,080,738)	(3,316,011)
Stock in trade	(178,905,199)	(214,981,407)
Trade debts	(87,166,930)	132,008,236
Loans and advances	17,061,895	(4,970,559)
Trade deposits	(9,378,633)	106,506
Other receivables	781,593	(13,899,177)
Infrastructure fee payable	2,293,676	2,229,160
Trade and other payables	31,402,219	4,548,741
	<b>(226,992,117)</b>	<b>(98,274,511)</b>
<b>Cash generated from operations</b>	<b>164,013,596</b>	<b>266,993,449</b>
Finance cost paid	(132,854,368)	(96,511,414)
Employee benefit cost paid	(2,059,662)	(2,117,789)
Income taxes paid	(30,105,075)	(34,582,658)
Dividend paid	(4,808,342)	(4,802,604)
	<b>(169,827,447)</b>	<b>(138,014,465)</b>
<b>Net cash from operating activities</b>	<b>(5,813,851)</b>	<b>128,978,984</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	1,176,851	1,330,000
Purchase of property, plant and equipment	(140,985,610)	(706,148,429)
Long-term loans	677,867	(736,046)
Long-term deposits	9,108,000	(2,544,000)
<b>Net cash used in investing activities</b>	<b>(130,022,892)</b>	<b>(708,098,475)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of long-term financing	(163,214,286)	(40,000,000)
Payment against asset subject to finance lease	(21,267,607)	(19,968,906)
Payment of long-term murabaha	(27,272,727)	(27,272,727)
Proceeds from long-term financing	41,734,309	500,000,000
Loan from Sponsors	100,000,000	-
Increase in short-term borrowings	213,293,826	158,498,987
<b>Net cash from financing activities</b>	<b>143,273,515</b>	<b>571,257,354</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	7,436,772	(7,862,137)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	14,070,557	49,175,026
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>21,507,329</b>	<b>41,312,889</b>

MOHAMMAD SHAHEEN  
CHIEF EXECUTIVE

MOHAMMAD SALIM  
DIRECTOR



## BLESSED TEXTILES LIMITED

### NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2007

#### 1 THE COMPANY AND ITS OPERATIONS

The company was incorporated in Pakistan as a public limited company on September 29, 1987. Its shares are quoted on the Karachi, Lahore and Islamabad Stock Exchanges. The main business of the company is manufacturing and sales of yarn and woven fabrics.

#### 2 BASIS OF PREPARATION

2.1 These financial statements have been prepared in accordance with the directives issued by the Securities & Exchange Commission of Pakistan and are in compliance with the International Accounting standard (IAS) 34 "Interim Financial Reporting" and being submitted to shareholders as required by section 245 of the companies Ordinance 1984.

These financial statements have been prepared under "Historical Cost Convention" except for staff gratuity accounted for in accordance with "International Accounting Standard - 19" and modifications due to adjustments for exchange rates fluctuations and are un-audited.

#### 3 ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of the Nine Months financial statement are the same as those of the published annual financial statements for the period ended June 30, 2006.

	Share capital	General reserves	Unappropriated profits	Total
	RUPEES			
<b>Balance as at June 30, 2005</b>	64,320,000	350,000,000	62,795,922	477,115,922
Profit for the period			122,881,796	122,881,796
Final dividend for the year ended June 30, 2005 Rs. 0.75 per share			(4,824,000)	(4,824,000)
<b>Balance as at March 31, 2006</b>	<b>64,320,000</b>	<b>350,000,000</b>	<b>180,853,718</b>	<b>595,173,718</b>
Profit for the period	-	-	6,937,007	6,937,007
Transferred to general reserve	-	180,000,000	(180,000,000)	-
<b>Balance as at June 30, 2006</b>	<b>64,320,000</b>	<b>530,000,000</b>	<b>7,790,725</b>	<b>602,110,725</b>
Profit for the period	-	-	90,311,862	90,311,862
Final dividend for the year ended June 30, 2006 Rs. 0.75 per share	-	-	(4,824,000)	(4,824,000)
<b>Balance as at March 31, 2007</b>	<b>64,320,000</b>	<b>530,000,000</b>	<b>93,278,587</b>	<b>687,598,587</b>

	MARCH 2007 RUPEES	JUNE 2006 RUPEES
<b>4 LOAN FROM SPONSORS</b>	<b>100,000,000</b>	-

The above loan is unsecured, interest free and not repayable in the next twelve months.

#### 5 LONG-TERM FINANCING - SECURED

Opening Balance	950,000,000	530,000,000
Add: Received during the period	41,734,309	500,000,000
Less: Loan paid during the period	163,214,286	80,000,000
	<b>828,520,023</b>	<b>950,000,000</b>
Less: Current Portion	272,857,144	176,428,572
	<b>555,662,879</b>	<b>773,571,428</b>



## BLESSED TEXTILES LIMITED

	MARCH 2007 RUPEES	JUNE 2006 RUPEES
<b>6 LONG-TERM MURABAHA - SECURED</b>		
Opening Balance	118,181,819	154,545,455
Less: Loan paid during the period	27,272,727	36,363,636
	90,909,092	118,181,819
Less: Current Portion	36,363,636	36,363,636
	54,545,456	81,818,183

### 7 CONTINGENCIES AND COMMITMENTS

#### 7.1 Contingencies

There is no material change in contingencies as disclosed in the notes to the financial statements for the year ended June 30, 2006 except for the professional tax which was imposed by provincial government. The Honourable Supreme Court of Pakistan decided the case in favor of provincial government. The company has paid the professional tax subsequently. The bank guarantee issued in favor of Sui Northern Co Ltd is amounted to Rs. 56.647 million and in favor of Excise and Taxation Office is amounted to Rs. 6.70 million.

	MARCH 2007 RUPEES	JUNE 2006 RUPEES
<b>7.2 Commitments</b>		
Letters of credits	73.939 Million	209.095 Million

### 8 ACQUISITION AND DISPOSAL OF FIXED ASSETS

	MARCH 31, 2007		JUNE 30, 2006	
	ADDITION	DELETIONS	ADDITION	DELETIONS
Freehold Land			-	-
Factory Building	1,173,849.00		177,582,904	
Non Factory Building	699,170.00	-	31,385,645	-
Plant and machinery	106,629,346.00	547,280.00	688,055,149	2,910,928
Equipments and Other Assets	5,265,182.00	-	2,428,949	-
Electric Instalations	-	-	17,124,667	-
Office equipment - Factory	-	-	38,130	-
Office equipment - Office	166,840.00	-	267,750	-
Furniture and Fixtures - office	522,950.00	-	-	-
Furniture and Fixture - Factory	38,488.00	-	1,468,158	-
Vehicles	2,416,390.00	1,218,103.00	4,876,783	1,498,726
	<b>116,912,215.00</b>	<b>1,765,383.00</b>	<b>923,228,135</b>	<b>4,409,654</b>

### 9 TRANSACTIONS WITH RELATED PARTIES

	MARCH 2007 RUPEES	MARCH 2006 RUPEES
Services Received	5,358,112	6,065,900
Electricity consumed	5,263,458	45,235,334
Dividend paid	891,870	891,870
Purchase of yarn , fabric and Store	161,557,184	675,190,515
Purchase of cotton	14,100,379	118,631,138
Sales of cotton	56,396,299	-
Sales of yarn and fabric	248,331,237	187,169,234
Purchase of property, plant and equipment	16,500,000	15,775,000
Sale of property, plant and equipment	-	875,000

Transactions with related parties are carried out at arm's length price.





## BLESSED TEXTILES LIMITED

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### **10 CYCLICALLY OF OPERATIONS**

The textile business is an all year business however, major raw material purchases i.e cotton, take place during the four months from October to January. This leads to higher figures in respect of stocks, bank borrowings and sales tax refundable being reflected during those periods.

### **11 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue on April 27, 2007 by Board Of Directors of the Company.

### **12 GENERAL**

Figures have been rounded off to the nearest rupee.

Corresponding figures have been re-arranged wherever necessary for the purpose of comparison.

**MOHAMMAD SHAHEEN**  
**(Chief Executive)**

**MOHAMMAD SALIM**  
**(Director)**

Karachi April 27, 2007