

VISION

A Premier Quality Company,
providing quality products and
maintaining an excellent
level of ethical and
Professional
Standards



MISSION STATEMENT

To become
a leading quality
manufacturer of textile
products in the International
& Local Market and to explore
new era to achieve the highest
level of success.

DIRECTORS' REVIEW

On behalf of the Board of Directors of your Company, I feel great pleasure in presenting the unaudited interim condensed financial statements of the Company for the half year ended 31st December 2009 along with auditors' review thereon.

Salient features of the half year ended 31st December 2009 are as follows:

- Profit after tax for the quarter ended 31st December 2009 was PKR 72,235 million as against PKR 43,682 million of the corresponding half year ended 31st December 2008.
- Earning per share for the half year ended 31st December 2009 was PKR 11.24 (31st December 2008 PKR 8.75).
- Breakup value of the share as on 31st December 2009 was PKR 139.15 (30th June 2009 PKR 128.66).

The title 'Balance sheet' has been replaced by 'Statement of Financial Position' and title 'Profit and loss account' has been replaced by 'Income Statement' and a new statement namely 'Statement of Comprehensive Income' has been included in compliance of the requirements of IAS-1 Presentation of Financial Statements.

Future Outlook

The company's overall performance remained satisfactory and profitability of company has increased as compared to previous half year.

Future profitability depends on the direction of raw cotton prices and corresponding prices of yarn and fabric. Currently the raw cotton prices are volatile. Currently cotton rate has gone above PKR 5700 per maund. The demand of yarn has increased worldwide. Government has imposed quota on export of yarn (except for certain category of yarn), keeping in view of availability of yarn for local consumer. In position of quota on export of yarn has caused a fall in the ability to export of yarn.

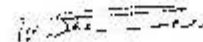
Rising trend in finance cost has so far been controlled through monetary policy but it is still at high level. Government should make efforts to bring KIBOR in single digit.

Intermittent power supply has significantly affected production efficiencies and resulted increased in per unit production cost. Besides the load shedding of electricity, massive load shedding of gas in Punjab was observed during December 2009 to February 2010 because export oriented textile sector was placed on a high priority level in the absence of gas supply, we had to operate machinery through power generation based on furnace oil, because currently WAPDA is not reliable source of electricity due to non-routed supply of electricity.

In the present scenario the results are likely to be positive in coming quarters. However, the effect of gas load shedding and increase in cost of gas is a concern of probability, the management of the company is doing its best efforts to maintain the profitability margin.

Acknowledgement

Board of directors acknowledge and appreciate the efforts of the employees and valuable support of the various Government Department and our Bankers.



On behalf of the Board
MOHAMMAD SHAHEEN
 CHIEF EXECUTIVE DIRECTOR

Karachi: 24th February, 2010



**Rahman Sarfaraz Rahim
Iqbal Rafiq**
Chartered Accountants

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REVIEW REPORT TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Blessed Textiles Limited ("the Company") as at 31 December 2009 and the related condensed interim income statement, statement of other comprehensive income, statements of cash flow and changes in equity for the six months period then ended, and a summary of significant accounting policies and other explanatory notes (hereinafter collectively referred to as the interim financial information). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1987. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Company as at 31 December 2009, and of its financial performance and its cash flows for the six month period then ended in accordance with approved accounting standards as applicable in Pakistan.

The figures for the quarter ended 31 December 2009 in the condensed interim income statement have not been audited and we do not express opinion on them.

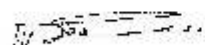
LAHORE
DATE: 24th February 2010

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
IRFAN RAHMAN MALIK

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009

	NOTE	(UNAUDITED) DECEMBER 31 2009 RUPEES	(AUDITED) JUNE 30 2009 RUPEES
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	4	64,320,000	64,320,000
General reserve		750,000,000	750,000,000
Unappropriated profit		80,732,740	13,261,108
		895,052,740	827,581,108
Loan from associates - Unsecured		94,642,857	89,285,715
Non-current liabilities			
Long term finances - Secured		394,991,980	436,033,072
Liabilities against assets subject to finance lease - Secured		51,934,683	59,808,707
Employees retirement benefits		36,763,936	32,620,765
Long term payables		15,879,991	15,669,999
Deferred taxation		33,674,963	33,674,963
		533,245,553	577,797,506
Current liabilities			
Trade and other payables		175,540,819	153,061,029
Mark-up accrued on borrowings		47,426,240	37,073,617
Short term borrowings - Secured		661,817,091	637,413,935
Current portion of non-current liabilities		196,792,450	234,752,957
		1,081,576,600	962,321,538
Contingencies and commitments	6	-	-
		<u>2,604,517,750</u>	<u>2,456,985,967</u>

The annexed notes from 1 to 11 form an integral part of these financial statements



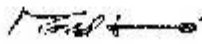
MOHAMMAD SHAHEEN

Chief Executive

KARACHI : 24th February 2010

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009

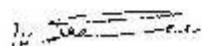
	NOTE	(UN-AUDITED)	(AUDITED)
		DECEMBER 31 2009 RUPEES	JUNE 30 2009 RUPEES
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,491,092,145	1,565,526,543
Capital work in progress	7	8,214,682	-
Long term deposits		8,324,385	7,493,985
Long term advances - Secured		5,334,388	3,820,011
		1,512,965,600	1,576,840,539
Current assets			
Stores, spares and loose tools		31,321,218	31,899,259
Stock in trade		799,995,506	877,273,071
Trade receivables		140,966,436	74,092,433
Advances, deposits, prepayments and other receivables		35,831,453	24,727,089
Derivative financial asset		462,562	2,239,708
Current taxation		38,860,759	42,404,454
Cash and bank balances		44,124,216	27,709,334
		1,091,562,150	890,145,328
		<u>2,604,517,750</u>	<u>2,456,985,867</u>


MOHAMMAD SALIM
 Director

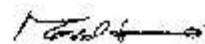
CONDENSED INTERIM INCOME STATEMENT
FOR THE HALF YEAR ENDED
DECEMBER 31, 2009 (UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	DECEMBER 31 2009	DECEMBER 31 2008	DECEMBER 31 2009	DECEMBER 31 2008
	----- RUPEES -----		----- RUPEES -----	
Sales - Net	1,732,650,448	1,818,605,817	433,121,385	423,626,278
Cost of goods sold	1,464,620,437	1,368,303,657	333,226,431	333,212,322
Gross profit	268,029,979	450,302,160	99,894,954	90,413,956
Other income	662,575	-	332,605	-
	268,692,454	450,302,160	99,894,954	90,413,956
Distribution costs	26,857,720	32,667,633	13,438,977	15,026,142
Administrative expenses	22,570,459	21,057,547	11,556,527	11,570,463
Other expenses	6,714,212	3,423,175	3,135,371	1,622,769
Finance cost	66,764,810	130,141,111	54,332,300	72,340,130
	102,907,201	187,289,466	82,463,175	100,561,504
Profit before taxation	165,785,253	263,012,694	17,431,779	(10,147,548)
Income tax				
Current period	17,481,846	16,263,030	3,745,190	7,332,800
Prior periods	-	14,222	-	-
	17,481,846	16,277,252	3,745,190	7,332,800
Profit after taxation	148,303,407	246,735,442	13,686,589	(17,480,348)
Earnings per share - basic and diluted	11.24	8.45	5.77	3.38

The annexed notes from 1 to 11 form an integral part of these financial statements



MOHAMMAD SHAHEEN
Chief Executive



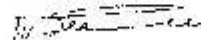
MOHAMMAD SALIM
Director

KARACHI : 24th February 2010

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED
DECEMBER 31, 2009**

	UN-AUDITED	
	DECEMBER 31 2009	DECEMBER 31 2008
	RUPEES	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	29,777,476	59,913,260
Adjustments for non-cash and other items	173,448,727	209,232,491
Operating profit before changes in working capital	203,226,203	269,145,751
Changes in working capital	(178,233,630)	(145,735,005)
Cash generated from operations	25,025,575	123,379,746
Payments for:		
Interest/markup	(75,639,988)	(96,192,178)
Employees retirement benefits	(5,023,628)	(1,623,770)
Income tax	(13,938,151)	(14,515,482)
Dividend on ordinary shares	(4,834,000)	(4,834,000)
Net cash (used in)/flow from operating activities	(12,435,590)	5,989,376
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(14,093,403)	(86,623,368)
Proceeds from disposal of property, plant and equipment	209,000	
Net cash used in investing activities	(14,093,403)	(86,623,368)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	-	66,860,180
Repayment of long term finances	(69,642,658)	(158,098,245)
Repayment of liabilities against assets subject to finance lease	(17,125,633)	15,375,603
Proceeds from sale and lease back of property, plant and equipment	5,260,000	
Net increase in short term borrowings	127,403,152	197,965,952
Net cash flow from financing activities	42,884,871	90,942,380
Net increase in cash and cash equivalents	16,714,882	10,012,398
Cash and cash equivalents as at beginning of the period	27,008,334	33,885,144
Cash and cash equivalents as at end of the period	43,723,216	43,897,542

The annexed notes from 1 to 11 form an integral part of these financial statements



MOHAMMAD SHAHEEN
Chief Executive



MOHAMMAD SALIM
Director

KARACHI : 24th February 2010

**CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)**

	HALF YEAR ENDED		QUARTER ENDED	
	DECEMBER 31	DECEMBER 31	DECEMBER 31	DECEMBER 31
	2009	2008	2009	2008
	RUPLES		RUPLES	
Profit after taxation	72,295,632	43,632,054	37,136,664	21,308,652
Other comprehensive income				
Total comprehensive income	72,295,632	43,632,054	37,136,664	21,308,652


MOHAMMAD SHAHEEN
Chief Executive


MOHAMMAD SALIM
Director

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)**

	SHARE	GENERAL	UNAPPROPRIATE	TOTAL
	CAPITAL	RESERVE	PROFIT	
	RUPLES			
As at July 1, 2008	64,320,000	690,000,000	7,481,547	761,801,547
Final dividend on ordinary shares for the year ended June 30, 2008	-	-	(4,824,000)	(4,824,000)
Profit for the half year ended December 31, 2008	-	-	43,632,054	43,632,054
As at December 31, 2008	64,320,000	690,000,000	43,256,601	800,616,601
Profit for the half year ended June 30, 2009	-	-	28,961,507	28,961,507
Transferred to general reserve	-	60,000,000	(60,000,000)	-
As at June 30, 2009	64,320,000	750,000,000	13,261,108	827,581,108
Final dividend on ordinary shares for the year ended June 30, 2009	-	-	(4,824,000)	(4,824,000)
Profit for the half year ended December 31, 2009	-	-	72,265,632	72,265,632
As at December 31, 2009	64,320,000	750,000,000	80,702,740	895,022,740


MOHAMMAD SHAHEEN
Chief Executive


MOHAMMAD SALIM
Director

KARACHI : 24th February 2010

**Notes to and forming part of Condensed Interim Financial Information
for the half year ended December 31, 2009 (Un-Audited)**

1 REPORTING ENTITY

Blessed Textiles Limited ("the Company") was incorporated in Pakistan as Public Limited Company under the Companies Ordinance, 1984. The registered office of the Company is situated at Umar House, 23/1, Sector - 22, S.M. Farooq Road, Korangi Industrial Area Karachi. The Company is listed on Karachi, Lahore and Islamabad Stock Exchanges (Guarantee) Limited. The Company is primarily engaged in manufacturing, sale of yarn and accessories.

2 BASIS OF PREPARATION

The condensed interim financial information is not audited; however, a limited scope review has been carried out by the statutory auditors of the Company in accordance with clause 61 of the Code of Corporate Governance and they have issued the report thereon.

The interim financial information has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the financial statements of the Company for the year ended June 30, 2009. Further, this condensed interim financial information is being circulated to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984.

The comparative interim statements of financial position as at June 30, 2009 and the related notes to the condensed interim financial information are based on audited financial statements. The comparative interim income statement, interim statement of other comprehensive income, interim cash flow statement, interim statement of changes in equity and related notes to the condensed interim financial information for the half year ended December 31, 2008 are based on unaudited, reviewed interim financial information. The interim income statement and interim statement of other comprehensive income for the quarters ended December 31, 2009 and December 31, 2008 are neither audited nor reviewed.

2.1 Statement of compliance

This interim financial information has been prepared in accordance with the principles issued by the Securities and Exchange Commission of Pakistan in compliance with the requirements of "International Accounting Standard 34 - Interim Financial Reporting" as applicable in Pakistan.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments at fair value or amortized cost and employees retirement benefits at present value. In this financial information except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

2.3 Judgements, estimates and assumptions

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the

**Notes to and forming part of Condensed Interim Financial Information
for the half year ended December 31, 2009 (Un-Audited)**

recorded amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimated.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods effected.

2.4 Functional currency

This financial information is prepared in Pak Rupees which is the Company's functional currency.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2009.

4 SHARE CAPITAL

	NOTE	DECEMBER 31 2009 RUPEES	JUNE 30 2009 RUPEES
Authorized share capital			
6,500,000 (June 30, 2009: 6,500,000) ordinary shares of Rs.10 each		<u>65,000,000</u>	<u>65,000,000</u>
Issued, subscribed and paid-up capital			
Ordinary shares of Rs. 10 each: 3,432,000 (June 30, 2009: 3,432,000) shares issued fully paid in cash		<u>64,320,000</u>	<u>64,320,000</u>

5 CONTINGENCIES AND COMMITMENTS

Contingencies

There are no significant changes in contingencies since June 30, 2009.

Commitments

Commitments under irrevocable letters of credit for import of

Purchase of plant and machinery	108,475,866	
Purchase of stores, spares and loose tools	29,815,133	589,764
	<u>238,290,999</u>	<u>589,764</u>
Commitment for capital expenditure	<u>15,000,000</u>	-

**Notes to and forming part of Condensed Interim Financial Information
for the half year ended December 31, 2009 (Un-Audited)**

	NOTE	DECEMBER 31 2009 RUPEES	JUNE 30 2009 RUPEES
6 PROPERTY, PLANT AND EQUIPMENT			
Net book value at beginning of the period		1,565,526,543	1,318,842,644
Additions during the period	8.1	3,151,720	115,065,386
Net book value of assets disposed during the period	8.1	(136,118)	(321,649)
Depreciation charges during the period		(180,150,000)	(188,878,948)
		<u>1,491,392,145</u>	<u>1,565,526,543</u>

6.1 ADDITIONS AND DISPOSALS	December 31, 2009		June 30, 2009	
	RUPEES			
	Acquisition	Disposal	Acquisition	Disposal
Building on freehold land				
Factory		-	12,050,600	-
Non-Factory	496,713	-	2,950,076	-
Plant and machinery	-	-	88,614,402	-
Equipment and other assets	3,051,137	-	10,730,776	-
Office equipment - factory	-	-	60,500	-
Furniture and fixtures - factory	27,450	-	62,480	-
Vehicles	3,069,305	136,118	-	321,649
	<u>3,151,720</u>	<u>136,118</u>	<u>115,065,386</u>	<u>321,649</u>

7 CAPITAL WORK IN PROGRESS	DEC 31, 2009 RUPEES	JUN 30, 2009 RUPEES
Building	2,642,563	-
Plant and machinery	53,118	-
vehicles	5,528,100	-
	<u>8,214,881</u>	<u>-</u>

8 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated undertakings and key management personnel. The Company in the normal course of business carries out transactions with various related parties and continues to have a policy whereby all such transactions are carried out at arms length. Details of transactions and balances with related parties are as follows:

8.1 Transactions with related parties	HALF YEAR ENDED		QUARTER ENDED	
	DEC 2009	DEC 2008	DEC 2009	DEC 2008
8.1.1 Associates	RUPEES			
Purchases	110,151,201	82,196,271	34,417,766	30,153,099
Sales	276,968,290	115,101,352	107,301,491	81,543,037
Dividend paid	881,370	891,370	881,370	881,370
8.1.2 Key management personnel				
Short term employee benefits		1,470,000		720,000
Post-employment benefits		-		-

Notes to and forming part of Condensed Interim Financial Information
for the half year ended December 31, 2009 (Un-Audited)

	DECEMBER 31 2009 RUPEES	JUNE 30 2009 RUPEES
B.2 Balances with related parties		
B.2.1 Associates		
Borrowings	34,642,857	89,285,715

9 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorized for issue on 24th February 2010 by the Board of Directors of the Company.

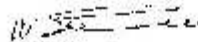
10 DIVIDEND

The Company during the year has paid 7.5% cash dividend on ordinary shares as approved in 22nd Annual General Meeting held on October 23, 2009.

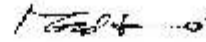
11 GENERAL

Figures have been rounded off to the nearest rupee.

No adjustment has been made in these financial statements in respect of deferred taxation since the financial impact of the same is considered to be immaterial.



MOHAMMAD SHAHEEN
Chief Executive



MOHAMMAD SALIM
Director

Karachi: 24th February, 2010