



of Companies

**HALF YEARLY ACCOUNTS
2010 - 2011
(UN - AUDITED)**

UMER GROUP OF COMPANIES

BLESSED TEXTILES LIMITED

Vision

*A Premier quality Company
providing quality products
and maintaining an excellent
level of ethical and
professional standard.*



Mission Statement

*To become the leaders of
Textile products
in the local
&
international market
and to achieve
the highest level of success.*



BLESSED TEXTILES LIMITED

Directors' Review

On behalf of the board of directors of your company, I feel great pleasure in presenting the un-audited interim condensed financial statements of the Company for the half year ended 31st December, 2010 alongwith auditors' review thereon.

Salient features of the half year ended 31st December 2010 are as follows;

- Profit after tax for the half year ended 31st December 2010 was PKR 249.417 million as against PKR 72.295 million of the corresponding half year ended 31st December 2009.
- Earning per share for the half year ended 31st December 2010 was PKR 38.78 (31st December 2009 PKR 11.24).
- Breakup value of the share as on 31st December 2010 was PKR 227.53 (30th June, 2010 PKR 193.76).

Auditors' review on the condensed interim financial statements for the half year ended 31st December 2010 is annexed herewith.

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 yarn and fabric prices based on current raw cotton prices. Currently the raw cotton prices are volatile and cotton rate is around PKR 12,000 per maund which is all times high rates. Moreover cotton rate in international market is around USD 2 per pound.

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

Interrupted power supply has significantly affected production efficiencies and resulted increases in per unit production cost. Besides the load shedding of electricity massive load shedding of gas in Punjab has been observed during December 2010 to February 2011. 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 interrupted supply of electricity.

In the present scenario the results are likely to be normal in coming quarters and 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 customer, supplier, various government department and our bankers.

For and on behalf of the Board
Mohammad Shaheen
Chief Executive

Karachi : 24th February, 2011



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** as at December 31, 2010, and the related condensed interim Income Statement and condensed interim statement of comprehensive income, condensed interim Statement of Cash Flow and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the interim financial information) for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures for the quarter ended December 31, 2010 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2010.

Scope of Review

We conducted our review in accordance with international standard on review engagements 2410, "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 the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit 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 and audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information does not give a true and fair view of financial position of the company as at December 31, 2010 and of its financial performance and its cash flow for the six months period then ended in accordance with the accounting standards as applicable in Pakistan.

The figure for the quarter ended December 31, 2010 in the condensed interim profit and loss account have not been reviewed and we do not express opinion on them.

Rehman Sarfaraz Rahim Iqbal Rafiq

Chartered Accountants

Engagement Partner:

Irfan Rahman Malik, FCA

Lahore:

Date: **24th February, 2011**



BLESSED TEXTILES LIMITED

Condensed Interim Balance Sheet as at December 31, 2010

	Note	December 2010 Rupees (Un-Audited)	June 2010 Rupees (Audited)
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	4	64,320,000	64,320,000
General reserve		1,100,000,000	1,100,000,000
Unappropriated profit		299,217,027	81,959,819
		1,463,537,027	1,246,279,819
Loan from associates - Unsecured		92,777,248	86,707,708
Non-current liabilities			
Long term finances - Secured		405,094,194	464,762,053
Liabilities against assets subject to finance lease - Secured		26,310,853	39,252,422
Employees retirement benefits		42,599,388	39,418,887
Long term payables		20,352,981	18,221,218
		494,357,416	561,654,580
Current liabilities			
Trade and other payables		230,906,744	188,358,388
Mark-up accrued on borrowings		26,719,514	15,340,800
Short term borrowings - Secured		1,052,016,149	110,000,000
Current portion of non-current liabilities		219,876,332	201,172,296
		1,529,518,739	514,871,484
Contingencies and commitments	5	-	-
		3,580,190,430	2,409,513,591

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

Mohammad Shaheen
Chief Executive

Karachi : 24th February, 2011



BLESSED TEXTILES LIMITED

Condensed Interim Balance Sheet as at December 31, 2010

	Note	December 2010 Rupees (Un-Audited)	June 2010 Rupees (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,544,490,546	1,623,295,825
Long term deposits		8,128,385	8,128,385
Long term advances - Secured		4,202,361	4,736,810
		1,556,821,292	1,636,161,020
Current assets			
Stores, spares and loose tools		50,132,265	34,712,543
Stock in trade		1,645,583,403	525,224,173
Trade receivables		165,961,118	87,597,012
Advances, deposits, prepayments and other receivables		78,349,420	45,482,332
Current taxation		45,776,473	49,555,396
Cash and bank balances		37,566,459	30,781,115
		2,023,369,138	773,352,571
		<u>3,580,190,430</u>	<u>2,409,513,591</u>

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

Mohammad Salim
Director

Karachi : 24th February, 2011



BLESSED TEXTILES LIMITED

Condensed Interim Profit and Loss Account For The Half Year Ended December 31, 2010

	Half year ended		Quarter ended	
	December 2010 Rupees (Un-Audited)	December 2009 Rupees (Un-Audited)	December 2010 Rupees (Un-Audited)	December 2009 Rupees (Un-Audited)
Turnover - Net	2,759,030,301	1,732,550,046	1,453,641,203	966,197,389
Cost of goods sold	2,269,203,936	1,484,520,067	1,173,467,396	830,925,431
Gross profit	489,826,365	248,029,979	280,173,807	135,271,958
Distribution cost	79,985,516	29,857,720	42,870,231	19,498,377
Administrative cost	31,822,249	24,261,459	18,945,260	13,239,547
	111,807,765	54,119,179	61,815,491	32,737,924
	378,018,600	193,910,800	218,358,316	102,534,034
Net other income	702,463	662,505	702,463	662,505
Operating profit	378,721,063	194,573,305	219,060,779	103,196,539
Finance cost	86,005,022	99,764,815	54,026,808	54,632,305
Other charges	15,724,436	5,031,012	7,963,594	1,682,371
	101,729,458	104,795,827	61,990,402	56,314,676
Profit before taxation	276,991,605	89,777,478	157,070,377	46,881,863
Provision for taxation	27,574,397	17,481,846	14,529,757	9,745,199
Profit after taxation	249,417,208	72,295,632	142,540,620	37,136,664
Earnings per share - basic and diluted	38.78	11.24	22.16	5.77

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, 2011

Half Year ended 31st December 2010



BLESSED TEXTILES LIMITED

Condensed Interim Cash Flow Statement for the half year ended December 31, 2010

	December 2010 Rupees (Un-Audited)	December 2009 Rupees (Un-Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	276,991,605	89,777,478
Adjustments for non-cash and other items	170,681,291	194,029,092
Operating profit before changes in working capital	447,672,896	283,806,570
Changes in working capital	(1,233,655,635)	(185,463,385)
Cash generated from operations	(785,982,739)	98,343,185
Payments for		
Interest / markup	(54,274,990)	(75,639,985)
Employees retirement benefits	(5,519,499)	(3,026,829)
Income tax	(23,795,474)	(13,938,151)
Dividend on ordinary shares	(5,990,074)	(4,824,000)
	(89,580,037)	(97,428,965)
Net cash (used in)/flow from operating activities	(875,562,776)	914,220
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(5,862,637)	(14,366,402)
Proceeds from disposal of property, plant and equipment	100,000	299,999
Net cash used in investing activities	(5,762,637)	(14,066,403)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term finances	(41,041,340)	(69,642,858)
Repayment of finance lease	(12,864,052)	(17,125,623)
Proceeds from sale and lease back	-	5,250,000
Net increase in short term borrowings	942,016,149	124,403,156
Net cash flow from financing activities	888,110,757	42,884,675
Net increase in cash and cash equivalents	6,785,344	29,732,492
Cash and cash equivalents as at beginning of the period	30,781,115	27,709,334
Cash and cash equivalents as at end of the period	37,566,459	57,441,826

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, 2011

Half Year ended 31st December 2010



BLESSED TEXTILES LIMITED

Condensed Interim Statement of Changes in Equity for the half year ended December 31, 2010

	Share Capital Rupees	General Reserve Rupees	Unappropriated Profit Rupees	Total Rupees
As at July 1, 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	-	-	72,295,632	72,295,632
As at December 31, 2009	64,320,000	750,000,000	80,732,740	895,052,740
Profit for the half year ended June 30, 2010	-	-	351,227,079	351,227,079
Transferred to general reserve	-	350,000,000	(350,000,000)	-
As at June 30, 2010	64,320,000	1,100,000,000	81,959,819	1,246,279,819
Final dividend on ordinary shares for the year ended June 30, 2010	-	-	(32,160,000)	(32,160,000)
Profit for the half year ended December 31, 2010	-	-	249,417,208	249,417,208
As at December 31, 2010	64,320,000	1,100,000,000	299,217,027	1,463,537,027

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

Mohammad Shaheen
Chief Executive

Mohammad Salim
Director

Condensed Interim Statement of Comprehensive Income for the half year ended December 31, 2010

	Half year ended		Quarter ended	
	December 2010 Rupees (Un-Audited)	December 2009 Rupees (Un-Audited)	December 2010 Rupees (Un-Audited)	December 2009 Rupees (Un-Audited)
Profit after taxation	249,417,208	72,295,632	142,540,620	37,136,664
Other comprehensive income	-	-	-	-
Total comprehensive income	249,417,208	72,295,632	142,540,620	37,136,664

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, 2011



BLESSED TEXTILES LIMITED

Notes to and forming part of Condensed Interim Financial Information for the half year ended December 31, 2010

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 Umer House, 23/1, Sector - 23, 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 woven fabrics.

2 BASIS OF PREPARATION

This condensed interim financial report of the Company for the six months period ended December 31, 2010 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting, and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed. The interim financial information report is not audited and 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 report should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2010. Further, the amounts for the quarters ended December 31, 2010 and December 31, 2009 are neither audited nor reviewed. The comparative interim balance sheet as at June 30, 2010 and the related notes to the condensed interim financial information are based on audited financial statements. The comparative interim profit and loss account, 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 six months period ended December 31, 2009 are based on unaudited, reviewed interim financial information. The interim profit and loss account and interim statement of other comprehensive income for the quarters ended December 31, 2010 and December 31, 2009 are neither audited nor reviewed.

2.1 Statement of compliance

This interim financial information has been prepared in accordance with the directives 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 reported 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 these estimates. 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 affected.



BLESSED TEXTILES LIMITED

Notes to and forming part of Condensed Interim Financial Information for the half year ended December 31, 2010

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, 2010.

4 SHARE CAPITAL

Authorized share capital

	<u>December 2010 Rupees</u>	<u>June 2010 Rupees</u>
6,500,000 (June 30, 2010: 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:

6,432,000 (June 30, 2010: 6,432,000) shares issued fully paid in cash	<u>64,320,000</u>	<u>64,320,000</u>
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5 CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

5.1.1 Guarantees issued by banks on behalf of the Company as at the reporting date amount to Rs. 78.35 million (June 30, 2010: Rs. 78.35 million) however the Company has already recognized related liability amounting to Rs. 20.35 million (June 30, 2010: Rs. 18.22 million)

5.1.2 The Company has issued indemnity bonds and post dated cheques collectively amounting to Rs. 11.62 million (June 30, 2010: Rs. 7.88 million) in favour of Sales Tax Department in lieu of levies under various statutory notifications and these are likely to be released after fulfillment of the terms of related notifications.

5.2 Commitments

Commitments under irrevocable letters of credit for import of:

Purchase of stores, spares and loose tools	46,933,409	7,414,408
Purchase of raw material	<u>436,422,470</u>	94,657,593
	<u>483,355,879</u>	<u>102,072,001</u>

Commitments for capital expenditure	<u>-</u>	<u>10,000,000</u>
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6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	6.1	1,322,779,507	1,405,915,827
Capital work in progress	6.2	<u>221,711,039</u>	217,379,998
		<u>1,544,490,546</u>	<u>1,623,295,825</u>



BLESSED TEXTILES LIMITED

Notes to and forming part of Condensed Interim Financial Information for the half year ended December 31, 2010

6.1 Operating fixed assets

Net book value as at beginning of the period		1,405,915,827	1,565,526,543
Additions during the period	6.1.1	1,531,594	18,109,632
Net book value of assets disposed during the period	6.1.1	67,914	16,287,196
Depreciation charged during the period		84,600,000	161,433,152
Net book value as at end of the period		<u>1,322,779,507</u>	<u>1,405,915,827</u>

6.1.1 Additions and disposals

	<u>December 2010</u>		<u>June 2010</u>	
	<u>Additions Rupees</u>	<u>Disposals Rupees</u>	<u>Additions Rupees</u>	<u>Disposals Rupees</u>
Building on freehold land				
Factory	-	-	719,862	-
Non-factory	-	-	496,718	-
Plant and machinery	-	-	-	15,835,205
Electric installations	656,498	-	-	-
Equipment and other assets	-	-	8,975,197	-
Furniture and fixtures - factory	-	-	27,460	-
Vehicles	875,096	67,914	7,890,395	451,991
	<u>1,531,594</u>	<u>67,914</u>	<u>18,109,632</u>	<u>16,287,196</u>

6.2 Capital work in progress

	<u>December 2010 Rupees</u>	<u>June 2010 Rupees</u>
Building	6,316,938	5,432,297
Plant and machinery	215,394,101	211,947,701
	<u>221,711,039</u>	<u>217,379,998</u>

7 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated undertakings, key management personnel (including chief executive and directors) and Sponsors of the Company. 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 arm's length. Details of transactions and balances with related parties are as follows:

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>December 2010 Rupees</u>	<u>December 2009 Rupees</u>	<u>December 2010 Rupees</u>	<u>December 2009 Rupees</u>
7.1 Transactions with related parties				
7.1.1 Associates				
Purchases	248,800,630	110,091,201	223,037,194	84,387,765
Sales	258,266,042	276,958,290	179,269,243	197,961,491
Rent paid	60,000	60,000	30,000	30,000



BLESSED TEXTILES LIMITED

Notes to and forming part of Condensed Interim Financial Information for the half year ended December 31, 2010

7.2 Balances with related parties

Sponsors

There are no balances with related parties at the reporting date, with the exception of interest free loan obtained from Sponsors of the Company amounting to Rs. 100,000,000 (June 30, 2010: Rs. 100,000,000), carried at amortized cost of Rs. 92,777,248 (June 30, 2010: Rs. 86,707,708).

8 SEGMENT REPORTING

The Company has three reportable segments, which offer different products and are managed separately. The following summary describes the operations in each of the company's reportable segments.

Reportable segment	Principal activity
Spinning	Manufactures and sale of yarn
Weaving	Manufactures and sale of fabric
Power	Generation and sale of electricity

Information about operating segments as at December 31, 2010 and for the half year then ended is as follows:

	Half year ended									
	December 31, 2010				December 31, 2009					
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees		
Revenue from external customers	1,748,712,020	1,010,318,281	-	2,759,030,301	1,040,880,466	709,949,052	-	1,750,829,518		
Inter-segment revenues	54,865,200	-	81,317,970	136,183,170	44,161,212	-	81,317,970	125,479,182		
Segment profit / (loss)	272,299,246	103,666,948	8,979,869	384,946,063	120,190,800	67,460,860	8,604,645	196,256,305		
	As at December 31, 2010				As at June 30, 2010					
	Spinning Rupees	Weaving Rupees	Power Rupees	Unallocated Rupees	Total Rupees	Spinning Rupees	Weaving Rupees	Power Rupees	Unallocated Rupees	Total Rupees
Segment assets	2,647,913,244	774,392,106	103,980,220	53,904,858	3,580,190,428	1,521,493,925	719,384,006	110,755,879	57,683,781	2,409,317,591

9 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 24th February 2011 by the board of directors of the company.

10 DIVIDEND

The Company during the year has paid 50% cash dividend on ordinary shares as approved in 23rd Annual General Meeting held on October 26, 2010.

11 GENERAL

There were no significant changes since June 30, 2010, other than increase in short term borrowings due to seasonal buying of raw material. Figures have been rounded off to the nearest rupee.

Mohammad Shaheen
Chief Executive

Karachi : 24th February, 2011

Mohammad Salim
Director

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