



of Companies

**FIRST QUARTERLY ACCOUNTS
2011 - 2012
(UN - AUDITED)**

UMER GROUP OF COMPANIES

BLESSED TEXTILES LIMITED



BLESSED TEXTILES LIMITED

DIRECTORS' REVIEW

On behalf of the Board of Directors of your Company, I feel great pleasure in presenting the unaudited condensed interim financial statements of the Company for the first quarter ended 30th September 2011.

Salient features of the first quarter ended 30th September 2011 are as follows;

- Profit after tax for the quarter ended 30th September 2011 is PKR 42.680 million as against PKR 106.876 million of the corresponding quarter of last year.
- Earning per share for the quarter ended 30th September 2011 is PKR 6.64 (30th September 2010 PKR 16.62).
- Breakup value of the share as on 30th September 2011 is PKR 290.17 (30th June, 2011 PKR 283.54).

Future Outlook

Currently the price of cotton in local market is around PKR 6,000 to 6,300 per maund and in international market is around USD 1.10 to 1.15 per lbs. China and India is expecting a bumper cotton crop as compare to their last year's cotton production. As a result, India may have exportable surplus of cotton bales whereas lower Chinese demand for imports of cotton bales is expected. Based on above the prices of cotton is expected to be lower in subsequent quarter.

Future profitability depends on the direction of raw cotton prices and corresponding prices of yarn and fabric.

The reduction in discount rate by State Bank of Pakistan from 13.5% to 12% is a good step but it is not enough. The State Bank of Pakistan should consider a further reduction in discount rate and it should be brought in single digit.

Load shedding of gas was frequently observed in Punjab even in summer season. Due to unavailability of gas the machineries had to be operated through power generation based on furnace oil which caused increased in fuel and power cost.

In the present scenario the results are likely to be adverse in coming quarters. However 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.

For and on behalf of the Board
MOHAMMAD AMIN
Chief Executive

Karachi: 27th October, 2011



BLESSED TEXTILES LIMITED

**Condensed Interim Balance Sheet (Un-Audited)
As At September 30, 2011**

	Note	SEPTEMBER 2011 RUPEES	JUNE 2011 RUPEES
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 6,500,000 (June 2011: 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		64,320,000	64,320,000
General reserves		1,600,000,000	1,600,000,000
Unappropriated profit		<u>202,085,618</u>	<u>159,404,893</u>
		1,866,405,618	1,823,724,893
NON - CURRENT LIABILITIES			
Long-term financing - secured		282,418,335	320,426,335
Obligation under to finance lease	3	7,095,604	13,502,810
Deferred liabilities		<u>62,480,327</u>	<u>57,830,137</u>
		351,994,266	391,759,282
CURRENT LIABILITIES			
Trade and other payables		254,612,294	296,600,156
Markup accrued on loans		11,968,159	13,937,079
Short term borrowings - secured		-	19,638,590
Current portion of long term loans		<u>250,207,346</u>	<u>294,837,126</u>
		516,787,799	625,012,951
CONTINGENCIES AND COMMITMENTS	4	-	-
		<u>2,735,187,683</u>	<u>2,840,497,126</u>

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

MOHAMMAD AMIN
Chief Executive

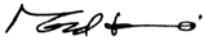
Karachi: 27th October, 2011



BLESSED TEXTILES LIMITED

Condensed Interim Balance Sheet (Un-Audited) As At September 30, 2011

	Note	SEPTEMBER 2011 RUPEES	JUNE 2011 RUPEES
ASSETS			
NON CURRENT ASSETTS			
Property, plant and equipment	5	1,487,019,771	1,521,179,823
Capital work-in-progress		39,206,418	18,184,522
Long term deposits		8,128,385	8,128,385
		1,534,354,574	1,547,492,730
CURRENT ASSETS			
Stores, spare parts and loose tools		56,530,159	55,901,941
Stock in trade		564,326,947	935,161,078
Trade debts		211,024,960	164,873,996
Advances, Deposits, prepayments and Other Receivable		63,199,246	36,786,598
Sales tax refundable		47,598,469	33,644,725
Income tax refundable		45,737,117	49,763,177
Cash and bank balances		212,416,211	16,872,881
		1,200,833,109	1,293,004,396
		<u>2,735,187,683</u>	<u>2,840,497,126</u>


MOHAMMAD SALIM
Director



BLESSED TEXTILES LIMITED

Condensed Interim Profit And Loss Account (Un-Audited) For The First Quarter Ended September 30, 2011

	SEPTEMBER 2011	SEPTEMBER 2010
RUPEES.....	
Sales	1,357,063,856	1,305,389,098
Cost of goods sold	<u>1,225,332,186</u>	<u>1,095,736,540</u>
Gross Profit	131,731,670	209,652,558
Distribution cost	<u>33,740,471</u>	<u>37,115,285</u>
Administrative expenses	<u>16,383,526</u>	<u>12,876,989</u>
	<u>50,123,997</u>	<u>49,992,274</u>
Operating Profits	81,607,673	159,660,284
Finance cost	<u>22,251,662</u>	<u>31,978,214</u>
Other operating expenses	<u>3,138,886</u>	<u>7,760,842</u>
	<u>25,390,548</u>	<u>39,739,056</u>
Profit before taxation	56,217,125	119,921,228
Provision for taxation		
Current period	<u>13,536,400</u>	<u>13,044,640</u>
Profit after taxation	<u>42,680,725</u>	<u>106,876,588</u>
Earning per share - basic and diluted	<u>6.64</u>	<u>16.62</u>

The annexed form an integral part of these financial statements.

MOHAMMAD AMIN
Chief Executive

MOHAMMAD SALIM
Director

Karachi: 27th October, 2011



BLESSED TEXTILES LIMITED

Cash Flow Statement (Un-Audited) For The First Quarter Ended September 30, 2011

	SEPTEMBER 2011 RUPEES	SEPTEMBER 2010 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	56,217,125	119,921,228
Adjustments for non-cash items		
Depreciation	39,869,671	42,300,000
Finance cost	22,251,662	28,943,444
Imputed Interest income on interest free loan	-	3,034,770
Provision for employees retirement benefits	5,610,000	4,350,000
	<u>67,731,333</u>	<u>78,628,214</u>
Operating profit before changes in working capital	123,948,458	198,549,442
Changes in working capital		
(Increase) in stores, spares and loose tools	(628,218)	(7,229,818)
Decrease in stock in trade	370,834,131	14,428,667
Decrease in trade receivable	(46,150,964)	(100,734,554)
(Increase) in advances, prepayments and other receivables	(26,412,648)	(22,882,628)
Decrease in sale tax refundable	(13,953,744)	(6,385,945)
Decrease / (Increase) in long term loans	-	743,024
(Decrease)/increase in trade and other payables	(43,922,583)	79,162,179
Increase in infra structure fee	146,983	1,512,653
	<u>363,861,415</u>	<u>157,163,020</u>
Cash generated from operations	363,861,415	157,163,020
Finance cost paid	(22,285,861)	(25,811,891)
Taxes paid	(9,510,340)	(5,315,505)
Employees retirement benefits paid	(1,106,793)	(2,537,112)
	<u>(32,902,994)</u>	<u>(33,664,508)</u>
Net cash flow from operating activities	330,958,421	123,498,512
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and capital expenditure	(26,731,515)	(2,809,958)
Net cash used in investing activities	(26,731,515)	(2,809,958)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of liabilities against assets subject to finance lease	(6,356,986)	(6,537,756)
Repayment of long term finances	(82,688,000)	(79,721,196)
Proceeds from long term loans	-	56,394,000
(Decrease)/ Increase in short term borrowings	(19,638,590)	(78,793,887)
Net cash from financing activities	(108,683,576)	(108,658,839)
Net increase in cash and cash equivalents	195,543,330	12,029,715
Cash and cash equivalents at the beginning of the period	16,872,881	30,781,115
Cash and cash equivalents at the end of the period	<u>212,416,211</u>	<u>42,810,830</u>

MOHAMMAD AMIN
Chief Executive

MOHAMMAD SALIM
Director

Karachi: 27th October, 2011



BLESSED TEXTILES LIMITED

**Condensed Interim Statement of Comprehensive Income (Un-Audited)
For The First Quarter Ended September 30, 2011**

	Note	SEPTEMBER 2011 RUPEES	SEPTEMBER 2010 RUPEES
Profit for the period after taxation		42,680,725	106,876,588
Other comprehensive income for the period		-	-
Total comprehensive Income for the period		<u>42,680,725</u>	<u>106,876,588</u>

The annexed notes form an integral part of these financial statements

MOHAMMAD AMIN
Chief Executive

MOHAMMAD SALIM
Director

Karachi: 27th October, 2011



BLESSED TEXTILES LIMITED

Condensed Interim Statement of Changes In Equity (Un-Audited) For The First Quarter Ended September 30, 2011

	Share Capital	General Reserves	Unappropriated Profit	Total
	RUPESS	RUPESS	RUPESS	RUPESS
Balance as at 30 June, 2010	64,320,000	1,100,000,000	81,959,819	1,246,279,819
Profit for first quarter ended 30 Sep, 2010	-	-	106,876,588	106,876,588
Balance as at 31 September, 2010	64,320,000	1,100,000,000	188,836,407	1,353,156,407
Profit for the quarter ended June 30, 2011	-	-	502,728,486	502,728,486
Final dividend for the year ended June 30, 2010			(32,160,000)	(32,160,000)
Transferred to general reserve	-	500,000,000	(500,000,000)	-
Balance as at 30 June, 2011	64,320,000	1,600,000,000	159,404,893	1,823,724,893
Profit for first quarter ended 30 Sep, 2011	-	-	42,680,725	42,680,725
Balance as at 31 st September, 2011	64,320,000	1,600,000,000	202,085,618	1,866,405,618

MOHAMMAD AMIN
Chief Executive

MOHAMMAD SALIM
Director

Karachi: 27th October, 2011



BLESSED TEXTILES LIMITED

Notes To The Accounts (Un-Audited) For The First Quarter Ended September 30, 2011

1 NATURE AND SCOPE OF THE BUSINESS

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 sale of yarn and woven fabrics. The registered office is located at Umer House, 23/1, Sector 23, S.M Faorroq Road, Korangi Industrial Area, Karachi.

2 ACCOUNTING POLICIES

All accounting policies adopted for the preparation of these quarterly accounts are the same as applied in preparation of the preceding annual published accounts of the company for the year ended 30th June, 2011.

3 OBLIGATION UNDER FINANCE LEASE SECURED

	SEPTEMBER 2011 RUPEES	JUNE 2011 RUPEES
Not later than one year	29,757,155	29,757,155
Later than one year but not later than five years	7,777,375	14,227,445
	37,534,530	43,984,600
Less: Finance charges allocated to future periods	(4,887,298)	(4,980,382)
Present value of minimum lease payments	32,647,232	39,004,218
Not later than one year	(25,551,628)	(25,501,408)
Later than one year but not later than five years	7,095,604	13,502,810

4 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There is no material change in contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2011.

5 ACQUISITION AND DISPOSAL OF FIXED ASSETS

	SEPTEMBER 2011	JUNE 2011
written down value of assets - opening	1,521,179,823	1,405,915,823
Addition during the period	5,709,619	268,237,380
disposal during the period - written down value	-	(760,955)
depreciation charged during the period	(39,869,671)	(152,212,425)
Written down value of assets - closing	1,487,019,771	1,521,179,823


6 TRANSACTIONS WITH ASSOCIATED UNDERTAKING


The Company enters into transactions with the related parties in normal course of business at arm's length determined in accordance with "comparable Uncontrolled Price Method". Transactions with related parties other than remuneration and benefits to key management personnel under the terms of employment are as follows:

	SEPTEMBER 2011	SEPTEMBER 2010
Purchases	93,965,356	139,115,999
Sales of yarn and fabric	228,275,871	148,979,869
Services Received	654,000	186,000
Electricity	38,430,461	14,726,529

7 COMPARATIVE FIGURES

In order to comply with the requirements of international Accounting Standards 34 "Interim Financial Reporting", Balance Sheet has been compared with the balances of annual financial statements while profit & Loss Accounts has been compared with corresponding figures of last year's quarter.


MOHAMMAD AMIN
 Chief Executive


MOHAMMAD SALIM
 Director

Karachi: 27th October, 2011

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