



of Companies

**HALF YEARLY ACCOUNTS
2012 - 2013
(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

Your directors are pleased to present the un-audited condensed interim financial statements of the Company for the half year ended 31st December 2012.

Salient features of the half year ended 31st December 2012 are as follows;

- Profit after tax for the half year ended 31st December 2012 is PKR 151.474 million as against PKR 97.311 million of the corresponding half year of last year.
- Earning per share for the half year ended 31st December 2012 is PKR 23.55 (31st December 2011 PKR 15.08).
- Breakup value of the share as on 31st December 2012 is PKR 338.63 (30th June, 2012 PKR 320.08).

Auditors' review on the condensed interim financial statements for the half year ended 31st December 2012 is annexed herewith.

Industry Overview and Future Prospect

Increasing gap between demand and supply of gas has restricted gas availability to textile industry and resulted higher off days of gas supply in the half year ended 31st December 2012 as compared to previous half year ended 31st December 2011. 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.

Production of cotton in Pakistan is around 13 million bales which have been decreased by around 10% as compared to previous year production of cotton. Currently the price of cotton in local market is increasing based on the lower production of cotton in Pakistan. Export of yarn, fabric and textile garment has been severely affected, due to recession in European countries.

The reduction in discount rate by State Bank of Pakistan to 9.5% is appreciated. The State Bank of Pakistan should consider a further reduction in discount rate in order to support business and economic activities.

In the present scenario the results are likely to be positive in coming quarters. 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 : 28th February, 2013



Rahman Sarfaraz Rahim
Iqbal Rafiq

Chartered Accountants

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Auditors' report to the Members on Review Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Blessed Textiles Limited** ("the Company") as at December 31, 2012 and the related condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as "the interim financial information"). 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 interim financial information based on our review. The figures for the quarter ended December 31, 2012 of the condensed interim profit and loss account and the condensed interim statement of other comprehensive income have not been reviewed as we are required to review only cumulative figures for the half year ended on that date.

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 consist 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 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 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 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ

Chartered Accountants

Engagement Partner: ABDUR RAHMAN MIR

Lahore:

Date: **28th February, 2013**



BLESSED TEXTILES LIMITED

**Condensed Interim Balance Sheet
as at December 31, 2012**

<i>Note</i>	December 31, 2012	June 30, 2012
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-audited)</i>	<i>(Audited)</i>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
<i>Authorized capital</i>		
6,500,000 (June 30, 2012: 6,500,000) ordinary shares of Rs. 10 each	65,000,000	65,000,000
Issued, subscribed and paid-up capital	64,320,000	64,320,000
General reserve	1,900,000,000	1,900,000,000
Accumulated profit	213,761,222	94,446,992
TOTAL EQUITY	2,178,081,222	2,058,766,992
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances	383,704,290	445,839,698
Employees retirement benefits	55,312,362	56,574,327
Long term payables	13,323,352	10,899,672
	452,340,004	513,313,697
CURRENT LIABILITIES		
Trade and other payables	350,505,045	293,897,120
Accrued interest/mark-up	22,582,843	14,852,689
Short term borrowings	1,218,308,587	271,863,359
Current portion of non-current liabilities	96,803,408	107,836,694
	1,688,199,883	688,449,862
TOTAL LIABILITIES	2,140,539,887	1,201,763,559
CONTINGENCIES AND COMMITMENTS	5	
TOTAL EQUITY AND LIABILITIES	4,318,621,109	3,260,530,551

The annexed notes 1 to 12 form an integral part of these financial statements.

Mohammad Amin
Chief Executive

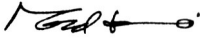
Karachi : 28th February, 2013



BLESSED TEXTILES LIMITED

Condensed Interim Balance Sheet as at December 31, 2012

	Note	December 31, 2012	June 30, 2012
		Rupees (Un-audited)	Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,664,260,515	1,734,165,084
Long term deposits		7,297,985	7,297,985
		1,671,558,500	1,741,463,069
CURRENT ASSETS			
Stores, spares and loose tools		79,540,700	69,099,763
Stock in trade		2,056,369,623	1,156,335,546
Trade debts		209,208,951	132,020,836
Advances, prepayments and other receivables		159,011,321	88,684,145
Advance income tax		61,143,351	56,994,747
Cash and Bank balances		81,788,663	15,932,445
		2,647,062,609	1,519,067,482
TOTAL ASSETS		4,318,621,109	3,260,530,551


Mohammad Salim
Director



BLESSED TEXTILES LIMITED

Condensed Interim Profit and Loss Account for the half year ended December 31, 2012

Note	Half year ended December 31, 2012	Half year ended December 31, 2011	Quarter ended December 31, 2012	Quarter ended December 31, 2011
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Sales - net	2,802,696,946	2,732,783,744	1,439,035,494	1,375,719,888
Cost of sales	(2,456,914,358)	(2,454,687,382)	(1,247,143,158)	(1,229,355,196)
Gross profit	345,782,588	278,096,362	191,892,336	146,364,692
Distribution cost	(67,504,414)	(64,742,357)	(34,717,318)	(31,001,886)
Administrative expenses	(35,668,239)	(32,102,138)	(17,188,031)	(15,718,612)
	(103,172,653)	(96,844,495)	(51,905,349)	(46,720,498)
	242,609,935	181,251,867	139,986,987	99,644,194
Other operating income	5,184,073	482,655	1,345,473	245,129
Operating profit	247,794,008	181,734,522	141,332,460	99,889,323
Finance cost	(60,393,076)	(50,455,503)	(35,109,866)	(28,203,841)
Other charges	(10,003,593)	(6,965,145)	(6,233,196)	(3,588,733)
	(70,396,679)	(57,420,648)	(41,343,062)	(31,792,574)
Profit before taxation	177,397,339	124,313,874	99,989,398	68,096,749
Provision for taxation 7	(25,923,109)	(27,302,799)	(14,131,034)	(13,766,399)
Profit after taxation	151,474,230	97,011,075	85,858,364	54,330,350
Earnings per share - basic and diluted	23.55	15.08	13.35	8.45

The annexed notes 1 to 12 form an integral part of these financial statements.

Mohammad Amin
Chief Executive

Mohammad Salim
Director

Karachi : 28th February, 2013



BLESSED TEXTILES LIMITED

**Condensed Interim Statement of Other Comprehensive Income
for the half year ended December 31, 2012**

	Half year ended December 31, 2012	Half year ended December 31, 2011	Quarter ended December 31, 2012	Quarter ended December 31, 2011
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Other comprehensive income	-	-	-	-
Profit after taxation	151,474,230	97,011,075	85,858,364	54,330,350
Total comprehensive income	151,474,230	97,011,075	85,858,364	54,330,350

The annexed notes 1 to 12 form an integral part of these financial statements.

Mohammad Amin
Chief Executive

Mohammad Salim
Director

Karachi : 28th February, 2013



BLESSED TEXTILES LIMITED

Condensed Interim Cash Flow Statement for the half year ended December 31, 2012

	December 31, 2012	December 31, 2011
	<i>Rupees</i>	<i>Rupees</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	177,397,339	124,313,874
Adjustments for non-cash items		
Depreciation	88,501,351	80,219,671
Provision for employees retirement benefits	11,820,000	11,220,000
Gain on disposal of property, plant and equipment	(1,085,268)	-
Interest/mark-up on borrowings	60,393,076	50,455,503
	159,629,159	141,895,174
Operating profit before changes in working capital	337,026,498	266,209,048
Changes in working capital		
Stores, spares and loose tools	(10,440,937)	2,270,962
Stock in trade	(900,034,077)	(489,472,308)
Trade debts	(77,188,115)	(126,529,916)
Advances, prepayments and other receivables	(70,327,176)	(38,515,032)
Trade and other payables	55,199,916	(2,443,609)
Long term payables	2,423,680	367,631
	(1,000,366,709)	(654,322,272)
Cash (used in)/generated from operations	(663,340,211)	(388,113,224)
Payments for		
Interest/mark-up on borrowings	(51,541,989)	(44,106,659)
Income tax	(30,071,713)	(23,425,511)
Employees retirement benefits	(13,081,965)	(3,116,223)
Dividend on ordinary shares	(31,872,928)	(13,537,815)
Net cash used in operating activities	(789,908,806)	(472,299,432)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(24,762,200)	(52,943,277)
Proceeds from disposal of property, plant and equipment	7,250,690	-
Net cash used in investing activities	(17,511,510)	(52,943,277)



BLESSED TEXTILES LIMITED

**Condensed Interim Cash Flow Statement
for the half year ended December 31, 2012**

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term finances	(59,668,000)	(184,667,873)
Repayment of liabilities against assets subject to finance lease	(13,500,694)	(12,726,614)
Net increase in short term borrowings	946,445,228	772,774,885
Net cash generated from financing activities	873,276,534	575,380,398
Net increase in cash and cash equivalents	65,856,218	50,137,689
Cash and cash equivalents at the beginning of the period	15,932,445	16,862,100
Cash and cash equivalents at the end of the period	81,788,663	66,999,789

The annexed notes 1 to 12 form an integral part of these financial statements.

Mohammad Amin
Chief Executive

Mohammad Salim
Director

Karachi : 28th February, 2013



BLESSED TEXTILES LIMITED

**Condensed Interim Statement of Changes in Equity
for the half year ended December 31, 2012**

	Issued subscribed and paid-up capital <i>Rupees</i>	General reserve <i>Rupees</i>	Accumulated profit <i>Rupees</i>	Total equity <i>Rupees</i>
Balance as at July 01, 2011 - Audited	64,320,000	1,600,000,000	159,404,893	1,823,724,893
Comprehensive income				
Profit after taxation	-	-	97,011,075	97,011,075
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	97,011,075	97,011,075
Transaction with owners				
Final dividend @ 75% i.e. Rs. 7.5 per ordinary share	-	-	(48,240,000)	(48,240,000)
Balance as at December 31, 2011 - Un-audited	<u>64,320,000</u>	<u>1,600,000,000</u>	<u>208,175,968</u>	<u>1,872,495,968</u>
Comprehensive income				
Profit after taxation	-	-	186,271,024	186,271,024
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	186,271,024	186,271,024
Transaction with owners				
Transfer to general reserve	-	300,000,000	(300,000,000)	-
Balance as at June 30, 2012 - Audited	<u>64,320,000</u>	<u>1,900,000,000</u>	<u>94,446,992</u>	<u>2,058,766,992</u>
Comprehensive income				
Profit after taxation	-	-	151,474,230	151,474,230
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	151,474,230	151,474,230
Transaction with owners				
Final dividend @ 50% i.e. Rs. 5.0 per ordinary share	-	-	(32,160,000)	(32,160,000)
Balance as at December 31, 2012 - Un-audited	<u><u>64,320,000</u></u>	<u><u>1,900,000,000</u></u>	<u><u>213,761,222</u></u>	<u><u>2,178,081,222</u></u>

The annexed notes 1 to 12 form an integral part of these financial statements.

Mohammad Amin
Chief Executive

Mohammad Salim
Director

Karachi : 28th February, 2013



BLESSED TEXTILES LIMITED

Notes to and forming part of Condensed Interim Financial Information for the half year ended December 31, 2012

1 REPORTING ENTITY

Blessed Textiles Limited ('the Company') is incorporated in Pakistan as a Public Limited Company under the Companies Ordinance, 1984 and is listed on Karachi Stock Exchange (Guarantee) Limited, Islamabad Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited. The Company is primarily a spinning unit engaged in the manufacture and sale of yarn and woven fabric, however, it is also engaged in the generation of electricity for self consumption. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The manufacturing facility is located at District Sheikhpura in the Province of Punjab.

2 BASIS OF PREPARATION

This interim financial information 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 information should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2012.

The comparative interim balance sheet as at June 30, 2012 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 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, 2011 are based on unaudited, reviewed interim financial information. The interim profit and loss account and interim statement of comprehensive income for the quarters ended December 31, 2012 and December 31, 2011 are neither audited nor reviewed.

2.1 Statement of compliance

This condensed interim financial information 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.

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, certain financial liabilities at 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, 2012

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 and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2012.

4 SHORT TERM BORROWINGS
The aggregate available short term funded facilities amounts to Rs. 5,770 million (June 30, 2012: Rs. 4,815 million) out of which Rs. 4,552 million (June 30, 2012: Rs.4,543 million) remained unavailed as at the reporting date.

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. 72.86 million (June 30, 2012: Rs. 69.81 million), however the Company has already recognized related liability amounting to Rs. 13.32 million (June 30, 2012: Rs. 10.9 million).

5.1.2 Bills discounted/negotiated as at the reporting date amount to Rs. 795.15 million (June 30, 2012: Rs. 379.34 million).

5.1.3 The Company has issued indemnity bonds and post dated cheques collectively amounting to Rs. 44.56 million (June 30, 2012: Rs. 46.6 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.

	<i>Note</i>	December 31, 2012 <i>Rupees</i>	June 30, 2012 <i>Rupees</i>
5.2 Commitments			
Commitments under irrevocable letters of credit for:			
- capital expenditure		45,808,100	218,418,750
- working capital		193,744,810	27,705,163
		239,552,910	246,123,913

6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets			
- assets owned by the Company	6.1	1,260,067,789	1,351,575,973
- assets subject to finance lease	6.2	56,625,468	59,784,057
		1,316,693,257	1,411,360,030
Capital work in progress		347,567,258	322,805,054
		1,664,260,515	1,734,165,084



BLESSED TEXTILES LIMITED

Notes to and forming part of Condensed Interim Financial Information for the half year ended December 31, 2012

	December 31, 2012	June 30, 2012
	<i>Rupees</i>	<i>Rupees</i>
6.1 Assets owned by the Company		
Net book value at the beginning of the period/year	1,351,575,973	1,454,184,846
Additions during the period/year		
Freehold land	-	22,694,042
Buildings on freehold land	-	9,666,861
Plant and machinery	-	995,000
Equipment and other assets	-	13,326,325
Office equipment - head office	-	575,000
Office equipment - factory	-	385,000
Vehicles	-	3,387,914
	-	51,030,142
Net book value of assets disposed during the period/year	(6,165,422)	(2,081,978)
Depreciation for the period/year	(85,342,762)	(151,557,037)
Net book value at the end of the period/year	<u>1,260,067,789</u>	<u>1,351,575,973</u>
6.2 Assets subject to finance lease		
Net book value at the beginning of the period/year	59,784,057	66,994,981
Additions during the period/year	-	-
Net book value of assets disposed during the period/year	-	-
Depreciation for the period/year	(3,158,589)	(7,210,924)
Net book value at the end of the period/year	<u>56,625,468</u>	<u>59,784,057</u>

7 TAXATION

- 7.1 Provision for current tax has been made in accordance with the requirements of section 18 and section 154 of the Income Tax Ordinance, 2001.
- 7.2 No provision for deferred tax has been made as the Company is expected to be taxed under the Final Tax Regime.

8 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company.

Transactions with key management personnel are limited to payment of short term employee benefits only. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction.



BLESSED TEXTILES LIMITED

Notes to and forming part of Condensed Interim Financial Information for the half year ended December 31, 2012

Details of transactions and balances with related parties is as follows:

8.1 Transactions with related parties	December 31, 2012	December 31, 2011	
Nature of relationship Nature of transaction	Rupees	Rupees	
Associated companies	Purchase of goods and services	428,907,860	247,995,089
	Sales of goods and services	483,338,176	384,734,581
	Dividend paid	5,945,800	8,918,700
Key management personnel	Short term employee benefits	1,440,000	1,440,000
	Dividend paid to directors and their family members	12,749,000	19,123,500

8.2 Balances with related parties

There are no balances with related parties as at the reporting date.

9 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 woven fabric
Power	Generation and sale of electricity

Information about operating segments as at December 31, 2012 and for the half year then ended is as follows:

	Half year ended December 31, 2012			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Revenue from external customers	1,827,428,424	975,268,522		2,802,696,946
Inter-segment revenues	56,389,600		79,340,739	135,730,339
Segment profit / (loss)	206,650,648	42,759,127	(1,615,767)	247,794,008

	Half year ended December 31, 2011			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Revenue from external customers	1,707,575,200	1,025,208,544	-	2,732,783,744
Inter-segment revenues	43,971,251	-	66,891,222	110,862,473
Segment profit / (loss)	150,952,757	35,224,769	(4,443,004)	181,734,522



BLESSED TEXTILES LIMITED

Notes to and forming part of Condensed Interim Financial Information for the half year ended December 31, 2012

	As at December 31, 2012				
	Spinning Rupees	Weaving Rupees	Power Rupees	Unallocated Rupees	Total Rupees
Segment assets	3,359,371,892	778,249,425	98,150,579	82,849,213	4,318,621,109

	As at June 30, 2012				
	Spinning Rupees	Weaving Rupees	Power Rupees	Unallocated Rupees	Total Rupees
Segment assets	2,397,997,426	683,784,444	102,192,672	76,556,009	3,260,530,551

10 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require any adjustment or disclosure in this condensed interim financial report.

11 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on February 28, 2013

12 GENERAL

12.1 There are no other significant activities since June 30, 2012 affecting the interim financial information.

12.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.

12.3 Figures have been rounded off to the nearest Rupee.

Mohammad Amin
Chief Executive

Mohammad Salim
Director

Karachi : 28th February, 2013

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