



*of Companies*

**HALF YEARLY ACCOUNTS  
2013-2014  
(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.

**Directors' Review**

Your directors are pleased to present the un-audited condensed interim financial statements of the Company for the half year ended 31<sup>st</sup> December 2013.

By the blessing of Allah Al Mighty the expansion of 12,000 spindles has been successfully completed within scheduled time. The production has now increased by 12 tons of yarn per day. Salient features of the half year ended 31<sup>st</sup> December 2013 are as follows;

- Profit after tax for the half year ended 31<sup>st</sup> December 2013 is PKR 181.974 million as against PKR 151.474 million of the corresponding half year of last year.
- Earning per share for the half year ended 31<sup>st</sup> December 2013 is PKR 28.29 (31<sup>st</sup> December 2012 PKR 23.55).
- Breakup value of the share as on 31<sup>st</sup> December 2013 is PKR 399.72 (30<sup>th</sup> June, 2013 PKR 376.43).

Auditors' review on the condensed interim financial statements for the half year ended 31<sup>st</sup> December 2013 is annexed herewith.

**Industry Overview and Future Prospect**

Government is expecting a major increase in exports and production of textile industry after getting Generalized System of Preferences (GSP) Plus status by the European Union. But the shortage of energy, law and order situation and lack of adequate technology are the major constrain of taking benefits from GPS Plus.

Pakistan Rupees is strengthening against US Dollar after having been depreciated upto 8% since June 2013.

Due to depression in international market the demand of yarn from China has substantially reduced which has affected the prices of yarn and fabric. Currently cotton prices are steady around PKR 6,900 to PKR 7,200 per maund but the depression in international market may affect the steadiness of cotton prices. US cotton futures fell, ahead of the release of government export data that traders expect falling demand for the fibre.

Due to increase in financial cost the result for next two quarters are expected to be depressed.

In the present scenario the results are likely to be low in coming quarters. Management of the company is doing its best efforts to maintain the profitability margin.

**Acknowledgment**

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 AMIN  
Chief Executive**

**Karachi: 25<sup>th</sup> February , 2014**



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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, 2013 and the related condensed interim profit and loss account, statement of profit or loss and other comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as ("the condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed 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, 2013 of the condensed interim profit and loss account and statement of profit or loss and other comprehensive income have not been reviewed as we are required to review only cumulative figures for the six months period 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

The Company has changed its accounting policy in respect of post-employment benefits, as referred to in note 3.1 to the condensed interim financial information and we concur with the change.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore: 25<sup>th</sup> February , 2014

**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants  
Engagement Partner: ABDUR RAHMAN MIR

**Condensed Interim Balance Sheet  
as at December 31, 2013**

	December 31, 2013	June 30, 2013
Note	<i>Rupees (Un-audited)</i>	<i>Rupees (Audited)</i>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<i>Authorized capital</i>		
6,500,000 (June 30, 2013: 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	<b>64,320,000</b>	64,320,000
General reserves	<b>2,300,000,000</b>	2,300,000,000
Accumulated profit	<b>206,715,467</b>	56,901,463
<b>TOTAL EQUITY</b>	<u><b>2,571,035,467</b></u>	<u>2,421,221,463</u>
<b>NON-CURRENT LIABILITIES</b>		
Long term finances - <i>Secured</i>	<u>1,466,482,138</u>	475,706,138
Deferred liabilities	5 <u>123,912,073</u>	107,607,678
	<b>1,590,394,211</b>	583,313,816
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<u>482,654,074</u>	345,400,085
Accrued interest/mark-up	<b>54,288,601</b>	12,023,491
Short term borrowings - <i>Secured</i>	6 <u>2,389,234,467</u>	627,290,326
Current portion of non-current liabilities	<u>106,788,690</u>	160,272,560
	<b>3,032,965,832</b>	1,144,986,462
<b>TOTAL LIABILITIES</b>	<u><b>4,623,360,043</b></u>	<u>1,728,300,278</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	7 -	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u><b>7,194,395,510</b></u></u>	<u><u>4,149,521,741</u></u>

*The annexed notes 1 to 15 form an integral part of this condensed interim financial information.*



**MOHAMMAD AMIN**  
Chief Executive

Karachi: 25<sup>th</sup> February , 2014

**Condensed Interim Balance Sheet  
as at December 31, 2013**

		<u>December 31, 2013</u>	<u>June 30, 2013</u>
	<i>Note</i>	<i>Rupees (Un-audited)</i>	<i>Rupees (Audited)</i>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	3,099,620,601	1,994,404,823
Long term deposits		10,575,985	7,297,985
		3,110,196,586	2,001,702,808
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		82,076,721	82,903,666
Stock in trade		3,288,793,799	1,570,261,938
Trade debts		294,021,372	189,649,908
Advances, prepayments and other receivables		73,988,284	65,418,050
Sales tax refundable		127,903,400	90,399,343
Income tax refundable		118,823,375	112,207,491
Cash and bank balances		98,591,973	36,978,537
		4,084,198,924	2,147,818,933
<b>TOTAL ASSETS</b>		<u>7,194,395,510</u>	<u>4,149,521,741</u>

*The annexed notes 1 to 15 form an integral part of this condensed interim financial information.*

  
**MOHAMMAD SALIM**  
 Director

**Condensed Interim Profit and Loss Account (Un-audited)  
for the half year ended December 31, 2013**

Note	Half year ended		Quarter ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	Rupees	Rupees	Rupees	Rupees
<b>Turnover - net</b>	<b>2,959,305,811</b>	2,802,696,946	<b>1,501,116,730</b>	1,439,035,494
Cost of sales	<b>(2,536,602,563)</b>	(2,456,914,358)	<b>(1,281,857,777)</b>	(1,247,143,158)
<b>Gross profit</b>	<b>422,703,248</b>	345,782,588	<b>219,258,953</b>	191,892,336
Selling and distribution expenses	<b>(63,088,850)</b>	(67,504,414)	<b>(33,217,673)</b>	(34,717,318)
Administrative expenses	<b>(43,747,202)</b>	(35,668,239)	<b>(20,557,143)</b>	(17,188,031)
	<b>(106,836,052)</b>	(103,172,653)	<b>(53,774,816)</b>	(51,905,349)
	<b>315,867,196</b>	242,609,935	<b>165,484,137</b>	139,986,987
Other income	<b>871,696</b>	5,184,073	<b>428,068</b>	1,345,473
<b>Operating profit</b>	<b>316,738,892</b>	247,794,008	<b>165,912,205</b>	141,332,460
Finance cost	<b>(92,043,575)</b>	(60,393,076)	<b>(61,427,111)</b>	(35,109,866)
Other charges	<b>(13,123,516)</b>	(10,003,593)	<b>(5,538,005)</b>	(6,233,196)
	<b>(105,167,091)</b>	(70,396,669)	<b>(66,965,116)</b>	(41,343,062)
<b>Profit before taxation</b>	<b>211,571,801</b>	177,397,339	<b>98,947,089</b>	99,989,398
Provision for taxation	9 <b>(29,597,797)</b>	(25,923,109)	<b>(15,065,556)</b>	(14,131,034)
<b>Profit after taxation</b>	<b>181,974,004</b>	151,474,230	<b>83,881,533</b>	85,858,364
<b>Earnings per share - basic and diluted</b>	<b>28.29</b>	23.55	<b>13.04</b>	13.35

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



**MOHAMMAD AMIN**  
Chief Executive

Karachi: 25<sup>th</sup> February, 2014



**MOHAMMAD SALIM**  
Director

**Condensed Interim Statement of Profit or Loss and Other  
Comprehensive Income (Un-audited)  
for the half year ended December 31, 2013**

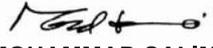
	Half year ended		Quarter ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Other comprehensive income	-	-	-	-
Profit after taxation	181,974,004	151,474,230	83,881,533	85,858,364
Total comprehensive income	<u>181,974,004</u>	<u>151,474,230</u>	<u>83,881,533</u>	<u>85,858,364</u>

*The annexed notes 1 to 15 form an integral part of this condensed interim financial information.*



**MOHAMMAD AMIN**  
Chief Executive

Karachi: 25<sup>th</sup> February , 2014



**MOHAMMAD SALIM**  
Director

**Condensed Interim Cash Flow Statement (Un-audited)  
for the half year ended December 31, 2013**

	December 31, 2013	December 31, 2012
	<i>Rupees</i>	<i>Rupees</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	211,571,801	177,397,339
<b>Adjustments for non-cash items</b>		
Interest/mark-up on borrowings	92,043,575	60,393,076
Gain on disposal of property, plant and equipment	(162,349)	(1,085,268)
Provision for employees retirement benefits	13,800,000	11,820,000
Depreciation	81,900,000	88,501,351
	<b>187,581,226</b>	159,629,159
<b>Operating profit before changes in working capital</b>	<b>399,153,027</b>	337,026,498
<b>Changes in working capital</b>		
Stores, spares and loose tools	826,945	(10,440,937)
Stock in trade	(1,718,531,861)	(900,034,077)
Trade debts	(104,371,464)	(77,188,115)
Advances, prepayments and other receivables	(8,570,234)	(70,327,176)
Long term deposits	(3,278,000)	-
Sales tax refundable	(37,504,057)	-
Trade and other payables	114,105,212	55,199,916
Long term payables	9,214,106	2,423,680
	<b>(1,748,109,353)</b>	(1,000,366,709)
<b>Cash used in operations</b>	<b>(1,348,956,326)</b>	(663,340,211)
<b>Payments for</b>		
Employees retirement benefits	(6,709,711)	(13,081,965)
Interest/mark-up on borrowings	(49,778,465)	(51,541,989)
Income tax	(36,213,681)	(30,071,713)
<b>Net cash used in operating activities</b>	<b>(1,441,658,183)</b>	(758,035,878)

**Condensed Interim Cash Flow Statement (Un-audited)  
for the half year ended December 31, 2013**

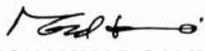
	December 31, 2013 <i>Rupees</i>	December 31, 2012 <i>Rupees</i>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(1,187,303,429)	(24,762,200)
Proceeds from disposal of property, plant and equipment	350,000	7,250,690
<b>Net cash used in investing activities</b>	<b>(1,186,953,429)</b>	<b>(17,511,510)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances obtained	1,179,595,000	-
Repayment of long term finances	(242,302,870)	(59,668,000)
Repayment of liabilities against assets subject to finance lease	-	(13,500,694)
Net increase in short term borrowings	1,761,944,141	946,445,228
Dividend paid	(9,011,223)	(31,872,928)
<b>Net cash generated from financing activities</b>	<b>2,690,225,048</b>	<b>841,403,606</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>61,613,436</b>	<b>65,856,218</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>36,978,537</b>	<b>16,232,743</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>98,591,973</b>	<b>82,088,961</b>

*The annexed notes 1 to 15 form an integral part of this condensed interim financial information.*



**MOHAMMAD AMIN**  
Chief Executive

Karachi: 25<sup>th</sup> February , 2014



**MOHAMMAD SALIM**  
Director

**Condensed Interim Statement of Changes in Equity (Un-audited)  
for the half year ended December 31, 2013**

	Issued subscribed and paid-up capital	General reserves	Accumulated profit	Total equity
	<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
<b>Balance as at July 01, 2012 - Audited</b>	64,320,000	1,900,000,000	94,446,992	2,058,766,992
<b>Comprehensive income</b>				
Profit after taxation	-	-	151,474,230	151,474,230
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	151,474,230	151,474,230
<b>Transaction with owners</b>	-	-	-	-
<b>Balance as at December 31, 2012 - Un-audited</b>	64,320,000	1,900,000,000	245,921,222	2,210,241,222
<b>Comprehensive income</b>				
Profit after taxation	-	-	243,140,241	243,140,241
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	243,140,241	243,140,241
<b>Transaction with owners</b>				
Final dividend paid @ Rs 5 per ordinary share			(32,160,000)	(32,160,000)
Transferred to general reserve		400,000,000	(400,000,000)	
<b>Balance as at June 30, 2013 - Audited</b>	64,320,000	2,300,000,000	56,901,463	2,421,221,463
<b>Comprehensive income</b>				
Profit after taxation	-	-	181,974,004	181,974,004
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	181,974,004	181,974,004
<b>Transaction with owners</b>				
Final dividend paid @ Rs 5 per ordinary share	-	-	(32,160,000)	(32,160,000)
<b>Balance as at December 31, 2013 - Un-audited</b>	<u>64,320,000</u>	<u>2,300,000,000</u>	<u>206,715,467</u>	<u>2,571,035,467</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



**MOHAMMAD AMIN**  
Chief Executive



**MOHAMMAD SALIM**  
Director

Karachi: 25<sup>th</sup> February , 2014

**Notes to the Condensed Interim Financial Information (Un-audited)  
for the half year ended December 31, 2013**

**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 & weaving units 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, 2013.

The comparative interim balance sheet as at June 30, 2013 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 profit or loss and 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, 2012 are based on unaudited, reviewed interim financial information. The interim profit and loss account and interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2013 and December 31, 2012 are neither audited nor reviewed.

**2.1 Statement of compliance**

This condensed interim financial report 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 Judgments, estimates and assumptions**

The preparation of financial information requires management to make judgments, 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 judgments 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 judgments 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.

**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, 2013, except for the change referred to in note 3.1.

**Notes to the Condensed Interim Financial Information (Un-audited)  
for the half year ended December 31, 2013**

3.1 During the period, the Company has changed its accounting policy in respect of post-employment benefits whereby actuarial gains and losses are recognized in other comprehensive income in the periods in which they occur. Current and past services costs, gains or losses on settlement and net interest on defined benefit obligation continue to be recognized in profit or loss. Prior to change, actuarial gains and losses were recognized in profit or loss in the period in which they occurred. No adjustment was required as the balance of accumulated profits as at the reporting date already includes all actuarial gains/losses that have occurred upto the reporting date.

**4 ADOPTION OF NEW AND REVISED APPROVED ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS**

The following amendment to approved accounting standards are effective in the current period and relevant to the Company.

**IAS 19 - Employee Benefits ('Revised 2011')**

The revised standard, among other changes not relevant to the Company, has eliminated the option that allowed entities to defer the recognition of changes in net defined benefit liability under the '10% Corridor Approach' and has amended some of the disclosure requirements for defined benefit plans. The revised standard requires immediate recognition of actuarial gains and losses in other comprehensive income. Services costs and net interest are required to be recognized in profit or loss as they occur. The Company has adopted the revised standards which has resulted in change in accounting policy as referred to in note 3.1

**IAS 34 - Interim Financial Reporting ('Amendments')**

The amendments align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 - Operating Segments. IAS 34 now requires the disclosure of a measure of total assets and liabilities for a particular reportable segment. In addition, such disclosure is only required when the amount is regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. The adoption has not resulted in any additional disclosure in this condensed interim financial information as the Company was already reporting the same in its interim financial information in the previous periods.

**5 DEFERRED LIABILITIES**

These include the following:

	<b>December 31, 2013</b>	June 30, 2013
	<b>Rupees</b>	Rupees
	<b>(Un-Audited)</b>	(Audited)
Employees retirement benefits	<b>73,085,556</b>	65,995,267
Long term payables - Secured	<b>24,414,323</b>	15,200,217
Deferred taxation	<b>26,412,194</b>	26,412,194
	<b>123,912,073</b>	107,607,678

**6 SHORT TERM BORROWINGS**

The aggregate available short term funded facilities amounts to Rs. 4,215 million (June 30, 2013: Rs. 3,470 million) out of which Rs. 1,826 million (June 30, 2013: Rs. 2,483 million) remained unavailed as at the reporting date.

**7 CONTINGENCIES AND COMMITMENTS**

There is no material change in contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2013.

**Notes to the Condensed Interim Financial Information (Un-audited)  
for the half year ended December 31, 2013**

		December 31, 2013	June 30, 2013
	<i>Note</i>	<i>Rupees (Un-audited)</i>	<i>Rupees (Audited)</i>
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets			
- assets owned by the Company	8.1	<b>1,482,632,228</b>	1,560,483,230
- assets subject to finance lease	8.2	-	-
		<b>1,482,632,228</b>	1,560,483,230
Capital work in progress		<b>1,616,988,373</b>	433,921,593
		<b>3,099,620,601</b>	1,994,404,823
<b>8.1 Assets owned by the Company</b>			
Net book value at the beginning of the period/year		<b>1,560,483,230</b>	1,351,575,973
Additions during the period/year			
Freehold land		-	12,447,704
Factory buildings		-	1,841,886
Plant and machinery		-	305,040,762
Equipment and other assets		-	2,569,593
Vehicles		<b>4,236,649</b>	3,181,309
		<b>4,236,649</b>	325,081,254
Net book value of assets transferred from leased assets		-	59,784,057
Net book value of assets disposed during the period/year		<b>(187,651)</b>	(6,326,429)
Depreciation for the period/year		<b>(81,900,000)</b>	(169,631,625)
Net book value at the end of the period/year		<b>1,482,632,228</b>	1,560,483,230
<b>8.2 Assets subject to finance lease</b>			
Net book value at the beginning of the period/year		-	59,784,057
Additions during the period/year		-	-
Net book value of assets transferred to owned assets		-	(59,784,057)
Net book value at the end of the period/year		-	-

**9 PROVISION FOR TAXATION**

**9.1** Provision for current tax has been in accordance with the requirements of section 18 and section 154 of the Income Tax Ordinance, 2001.

**9.2** No provision for deferred tax has been made as the impact of the same is considered immaterial.

**10 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.

**Notes to the Condensed Interim Financial Information (Un-audited)  
for the half year ended December 31, 2013**

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.

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

		Half year ended	
		December 31, 2013	December 31, 2012
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
<b>10.1 Transactions with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of transaction</b>		
Associated companies	Purchases		
	Sales of yarn and fabric		
	Dividend paid	<b>166,753,515</b>	312,309,961
	Services Received	<b>250,047,238</b>	483,338,176
	Purchase of electricity	<b>5,945,800</b>	5,945,800
		<b>150,000</b>	4,861,824
Key management personnel		<b>144,767,994</b>	111,736,075
	Short term employee benefits	<b>4,280,000</b>	1,440,000

**10.2 Balances with related parties**

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

**11 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, 2013 and for the half year then ended is as follows:

	Half year ended			
	December 31, 2013			
	Spinning	Weaving	Power	Total
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Revenue from external customers	<u>1,868,312,268</u>	<u>1,090,993,543</u>	-	<u>2,959,305,811</u>
Inter-segment revenues	-	-	<u>41,487,110</u>	<u>41,487,110</u>
Segment profit/(loss)	<u>232,052,770</u>	<u>94,291,716</u>	<u>(9,605,594)</u>	<u>316,738,892</u>

**Notes to the Condensed Interim Financial Information (Un-audited)  
for the half year ended December 31, 2013**

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

	As at December 31, 2013				
	Spinning <i>Rupees</i>	Weaving <i>Rupees</i>	Power <i>Rupees</i>	Un-allocated <i>Rupees</i>	Total <i>Rupees</i>
Segment assets	6,064,661,781	905,330,660	95,003,709	129,399,360	7,194,395,510

	As at June 30, 2013				
	Spinning <i>Rupees</i>	Weaving <i>Rupees</i>	Power <i>Rupees</i>	Un-allocated <i>Rupees</i>	Total <i>Rupees</i>
Segment assets	3,108,117,258	826,657,702	95,241,305	119,505,476	4,149,521,741

	As at December 31, 2013				
	Spinning <i>Rupees</i>	Weaving <i>Rupees</i>	Power <i>Rupees</i>	Un-allocated <i>Rupees</i>	Total <i>Rupees</i>
Segment liabilities	331,785,082	155,657,826	36,631,917	4,099,285,218	4,623,360,043

	As at June 30, 2013				
	Spinning <i>Rupees</i>	Weaving <i>Rupees</i>	Power <i>Rupees</i>	Un-allocated <i>Rupees</i>	Total <i>Rupees</i>
Segment liabilities	228,252,388	126,151,168	33,261,265	1,340,635,457	1,728,300,278

**12 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.

**13 RECOVERABLE AMOUNTS AND IMPAIRMENT**

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

**14 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 25, 2014.

**Notes to the Condensed Interim Financial Information (Un-audited)  
for the half year ended December 31, 2013**

**15 GENERAL**

- 15.1 There are no other significant activities since June 30, 2013 affecting the interim financial information.
- 15.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.
- 15.3 Figures have been rounded off to the nearest Rupee.



**MOHAMMAD AMIN**  
Chief Executive

Karachi: 25<sup>th</sup> February , 2014

  
**MOHAMMAD SALIM**  
Director

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