

of Companies

**HALF YEARLY ACCOUNTS
2014-2015
(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

Our directors are pleased to present the un-audited condensed interim financial statements of the Company for the half year ended 31st December 2014.

Salient features of the half year ended 31st December 2014 are as follows;

- Profit after tax for the half year ended 31st December 2014 is PKR 32.206 million as against PKR 181.974 million of the corresponding half year of last year.
- Earnings per share for the half year ended 31st December 2014 is PKR 5.01 (31st December 2013 PKR 28.29).
- Breakup value of the share as on 31st December 2014 is PKR 409.69 (30th June, 2014 PKR 407.18).

During the half year ended 31st December 2014, profitability has been decreased due to contraction in margins on account of sluggishness in spinning sector, increases in finance cost and depreciation. Sales have increased from PKR 2.959 billion to PKR 4.118 billion as compare to previous half year ended 31st December 2013 mainly due to increases in production capacity by 12,000 spindles.

Auditors' review on the condensed interim financial statements for the half year ended 31st December 2014 is annexed herewith.

Industry Overview and Future Prospect

Currently, cotton market is bearish. The prices of cotton are declining slowly and continuously. The stability of cotton prices is essential for the determination of stable yarn and fabric prices.

Reduction in discount rate by one percent is appreciated.

Textile industry in Pakistan was expecting a major increase in export and production of textile industry after getting Generalized System of Preferences (GSP) Plus status by the European Union. But the results of textile export on account of GSP plus are not satisfactory. The shortage of energy, law and order situation and lack of adequate technology are the major constrain of taking benefits from GPS Plus.

Shortage of gas and electricity is a major concern for textile industry in Pakistan. In the absence of gas supply in Punjab the machineries were operated through furnace oil which resulted increases in fuel and power cost. Government should take immediate steps for the availability of gas for textile units.

In the present scenario the results are likely to be adverse in coming quarter. 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 AMIN
Chief Executive

Karachi: 25th February , 2015



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, 2014 and the related condensed interim profit and loss account, condensed interim 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 three months ended December 31, 2014 of the condensed interim profit and loss account and condensed interim 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

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: 25th February , 2015

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

**Condensed Interim Balance Sheet
as at December 31, 2014**

	December 31, 2014	June 30, 2014
Note	Rupees (Un-audited)	Rupees (Audited)
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
<i>Authorized capital</i>		
6,500,000 (June 30, 2014: 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	2,500,000,000	2,500,000,000
Accumulated profit	70,832,265	54,705,362
TOTAL EQUITY	2,635,152,265	2,619,025,362
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances - Secured	1,181,387,607	1,321,202,715
Deferred liabilities	133,364,830	120,837,950
	1,314,752,437	1,442,040,665
CURRENT LIABILITIES		
Trade and other payables	486,205,632	401,350,789
Accrued interest/mark-up	69,461,247	45,995,403
Short term borrowings - Secured	1,759,662,256	682,904,828
Current portion of non-current liabilities	292,731,590	274,745,672
	2,608,060,725	1,404,996,692
TOTAL LIABILITIES	3,922,813,162	2,847,037,357
CONTINGENCIES AND COMMITMENTS	4	-
TOTAL EQUITY AND LIABILITIES	6,557,965,427	5,466,062,719

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



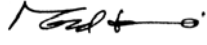
MOHAMMAD AMIN
Chief Executive

Karachi: 25th February, 2015

**BLESSED TEXTILES LIMITED****Condensed Interim Balance Sheet
as at December 31, 2014**

		December 31, 2014	June 30, 2014
	<i>Note</i>	<i>Rupees (Un-audited)</i>	<i>Rupees (Audited)</i>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,153,279,056	3,237,432,974
Long term deposits - <i>Unsecured, Considered good</i>		14,154,096	11,125,095
		3,167,433,152	3,248,558,069
CURRENT ASSETS			
Stores, spares and loose tools		80,770,702	82,004,420
Stock in trade		2,592,241,770	1,485,039,828
Trade debts		346,975,530	252,948,137
Advances, prepayments and other receivables		65,722,713	64,216,928
Sales tax refundable		77,933,009	82,566,517
Income tax refundable		136,372,963	191,477,753
Bank balances		73,695,878	59,251,067
Non-current assets held for sale	6	16,819,710	-
		3,390,532,275	2,217,504,650
TOTAL ASSETS		6,557,965,427	5,466,062,719


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



MOHAMMAD SALIM
Director

**Condensed Interim Profit and Loss Account (Un-audited)
for the half year ended December 31, 2014**

Note	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	Rupees	Rupees	Rupees	Rupees
Sales - net	4,118,833,245	2,959,305,811	1,971,533,535	1,501,116,730
Cost of sales	3,765,621,555	2,536,602,563	1,791,006,532	1,281,857,777
Gross profit	353,211,690	422,703,248	180,527,003	219,258,953
Selling and distribution expenses	87,230,008	63,088,850	41,978,316	33,217,673
Administrative and general expenses	50,463,173	43,747,202	23,461,171	20,557,143
	137,693,181	106,836,052	65,439,487	53,774,816
	215,518,509	315,867,196	115,087,516	165,484,137
Other income	3,341,400	871,696	1,017,118	428,068
Operating profit	218,859,909	316,738,892	116,104,634	165,912,205
Finance cost	139,673,856	92,043,575	82,207,536	61,427,111
Other charges	6,131,626	13,123,516	2,344,147	5,538,005
	145,805,482	105,167,091	84,551,683	66,965,116
Profit before taxation	73,054,427	211,571,801	31,552,951	98,947,089
Provision for taxation 7				
Current taxation	40,847,524	29,597,797	19,449,366	15,065,556
Profit after taxation	32,206,903	181,974,004	12,103,585	83,881,533
Earnings per share - basic and diluted	5.01	28.29	1.88	13.04

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


MOHAMMAD AMIN
Chief Executive


MOHAMMAD SALIM
Director

Karachi: 25th February , 2015

**Condensed Interim Statement of Changes in Equity (Un-audited)
for the half year ended December 31, 2014**


	Issued subscribed and paid-up capital	General reserves	Accumulated profit	Total equity
	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2013	64,320,000	2,300,000,000	56,901,463	2,421,221,463
Profit after taxation	-	-	181,974,004	181,974,004
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	181,974,004	181,974,004
Balance as at December 31, 2013	64,320,000	2,300,000,000	238,875,467	2,603,195,467
Profit after taxation	-	-	51,562,456	51,562,456
Other comprehensive income	-	-	(3,572,561)	(3,572,561)
Total comprehensive income	-	-	47,989,895	47,989,895
Transaction with owners				
Final dividend @ 50%	-	-	(32,160,000)	(32,160,000)
Transferred to general reserve	-	200,000,000	(200,000,000)	-
	-	200,000,000	(232,160,000)	(32,160,000)
Balance as at June 30, 2014	64,320,000	2,500,000,000	54,705,362	2,619,025,362
Profit after taxation	-	-	32,206,903	32,206,903
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	32,206,903	32,206,903
Transaction with owners				
Final dividend @ 25%	-	-	(16,080,000)	(16,080,000)
Balance as at December 31, 2014	<u>64,320,000</u>	<u>2,500,000,000</u>	<u>70,832,265</u>	<u>2,635,152,265</u>


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

**Condensed Interim Statement of Profit or Loss and Other
Comprehensive Income (Un-audited)
for the half year ended December 31, 2014**

	Half year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	32,206,903	181,974,004	12,103,585	83,881,533
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>32,206,903</u>	<u>181,974,004</u>	<u>12,103,585</u>	<u>83,881,533</u>

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


MOHAMMAD AMIN
Chief Executive


MOHAMMAD SALIM
Director

Karachi: 25th February, 2015

Half Year ended 31st December 2014

| 7

**Condensed Interim Cash Flow Statement (Un-audited)
for the half year ended December 31, 2014**


	December 31, 2014	December 31, 2013
	<i>Rupees</i>	<i>Rupees</i>
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	73,054,427	211,571,801
Adjustments for non-cash and other items	316,102,577	187,581,226
Operating profit before changes in working capital	389,157,004	399,153,027
Changes in working capital	(1,130,246,769)	(1,748,109,353)
Cash generated from operations	(741,089,765)	(1,348,956,326)
Payments for:		
Employees retirement benefits	(4,512,691)	(6,709,711)
Interest/markup	(115,843,347)	(49,778,465)
Income tax	14,257,266	(36,213,681)
Net used in operating activities	(847,188,537)	(1,441,658,183)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(85,691,468)	(1,187,303,429)
Proceeds from disposal of property, plant and equipment	8,328,000	350,000
Net cash used in investing activities	(77,363,468)	(1,186,953,429)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances obtained	-	1,179,595,000
Repayment of long term finances	(121,829,190)	(242,302,870)
Net increase in short term borrowings	1,076,757,428	1,761,944,141
Dividend paid	(15,931,422)	(9,011,223)
Net cash generated from financing activities	938,996,816	2,690,225,048
Net increase in cash and cash equivalents	14,444,811	61,613,436
Cash and cash equivalents at the beginning of the period	59,251,067	36,978,537
Cash and cash equivalents at the end of the period	73,695,878	98,591,973

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



MOHAMMAD AMIN
Chief Executive

Karachi: 25th February , 2015



MOHAMMAD SALIM
Director

**Notes to the Condensed Interim Financial Information (Un-audited)
for the half year ended December 31, 2014**

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 Limited, Islamabad Stock Exchange Limited and Lahore Stock Exchange Limited. The Company is primarily 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, 2014.

The comparative interim balance sheet as at June 30, 2014 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, 2013 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, 2014 and December 31, 2013 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, 2014. However, the Company has applied the following new accounting policies for transactions, other events and conditions that did not occur previously.

**Notes to the Condensed Interim Financial Information (Un-audited)
for the half year ended December 31, 2014**

3.1 Non-current assets held for sale

A non-current asset is classified as held for sale when its carrying amount is expected to be recovered principally through sale rather than continuing use. A non-current asset held for sale is measured at lower of its carrying amount and fair value less costs to sell.

4 CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2014.

		December 31, 2014	June 30, 2014
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	2,930,924,098	3,046,157,844
Capital work in progress		222,354,958	191,275,130
		3,153,279,056	3,237,432,974
5.1 Operating fixed assets			
Net book value at the beginning of the period/year		3,046,157,844	1,560,483,230
Additions during the period/year			
Factory buildings		-	337,731,926
Plant and machinery		54,611,640	1,348,415,401
Equipment and other assets		-	4,768,953
Electric installation		-	3,764,247
Vehicles		-	31,843,382
		54,611,640	1,726,523,909
Net book value of assets disposed during the period/year		(6,045,386)	(1,621,676)
Depreciation for the period/year		(163,800,000)	(239,227,619)
Net book value at the end of the period/year		2,930,924,098	3,046,157,844

6 NON-CURRENT ASSETS HELD FOR SALE

These represent interest in land acquired for re-sale. The sale is expected to be completed within the twelve months from the reporting date.

7 PROVISION FOR TAXATION

7.1 Provision for current tax has been 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 impact of the same is considered immaterial.

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.

**Notes to the Condensed Interim Financial Information (Un-audited)
for the half year ended December 31, 2014**

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

		Half year ended	
		December 31, 2014	December 31, 2013
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
8.1 Transactions with related parties			
Nature of relationship	Nature of transaction		
Associated companies	Purchases	134,643,816	166,753,515
	Sales	436,488,774	250,047,238
	Rent paid	150,000	150,000
	Purchase of electricity	177,732,243	144,767,994
	Dividend paid	2,972,900	5,945,800
Key management personnel	Short term employee benefits	9,855,000	4,280,000

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, 2014 and for the six months then ended is as follows:

Half year ended December 31, 2014				
	Spinning <i>Rupees</i>	Weaving <i>Rupees</i>	Power <i>Rupees</i>	Total <i>Rupees</i>
Revenue from external customers	3,011,775,226	1,107,058,019	-	4,118,833,245
Inter-segment revenues	-	-	33,314,035	33,314,035

Half year ended December 31, 2013				
	Spinning <i>Rupees</i>	Weaving <i>Rupees</i>	Power <i>Rupees</i>	Total <i>Rupees</i>
Revenue from external customers	1,868,312,268	1,090,993,543	-	2,959,305,811
Inter-segment revenues	-	-	41,487,110	41,487,110

**Notes to the Condensed Interim Financial Information (Un-audited)
for the half year ended December 31, 2014**

As at December 31, 2014					
	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment assets	<u>5,317,063,824</u>	<u>930,228,449</u>	<u>82,213,086</u>	<u>228,460,068</u>	<u>6,557,965,427</u>

As at June 30, 2014					
	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment assets	<u>4,133,979,600</u>	<u>961,238,665</u>	<u>85,675,089</u>	<u>285,169,365</u>	<u>5,466,062,719</u>

As at December 31, 2014					
	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment liabilities	<u>259,546,474</u>	<u>195,694,907</u>	<u>45,583,195</u>	<u>3,421,988,586</u>	<u>3,922,813,162</u>

As at June 30, 2014					
	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment liabilities	<u>196,473,769</u>	<u>139,917,250</u>	<u>41,132,280</u>	<u>2,469,514,058</u>	<u>2,847,037,357</u>

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 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.

12 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, 2015.

13 GENERAL

13.1 There are no other significant activities since June 30, 2014 affecting the interim financial information.

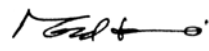
13.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.

13.3 Figures have been rounded off to the nearest Rupee.



MOHAMMAD AMIN
Chief Executive

Karachi: 25th February , 2015



MOHAMMAD SALIM
Director

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