



*of Companies*

**THIRD QUARTERLY ACCOUNTS  
2014-2015  
(UN - AUDITED)**

**UMER GROUP OF COMPANIES**

**BLESSED TEXTILES LIMITED**



## BLESSED TEXTILES LIMITED

### Directors' Review

Your directors are pleased to present the un-audited condensed interim financial statements of the Company for the nine months ended 31<sup>st</sup> March 2015.

These statements have been prepared in compliance with IAS-34 and are being submitted under section 245 of The Companies Ordinance 1984.

Salient features of the nine months ended 31<sup>st</sup> March 2015 are as follows;

- Profit after tax for the nine months ended 31<sup>st</sup> March 2015 is PKR 45.189 million as against PKR 202.898 million of the corresponding nine months of last year.
- Earnings per share for the nine months ended 31<sup>st</sup> March 2015 is PKR 7.03 (31<sup>st</sup> March 2014 PKR 31.55).
- Breakup value of the share as on 31<sup>st</sup> March 2015 is PKR 411.71 (30<sup>th</sup> June, 2014 PKR 407.18).

During the nine months ended 31<sup>st</sup> March 2015, profitability has been decreased due to contraction in margins on account of sluggishness in spinning sector, increases in finance cost and depreciation.

#### Industry Overview and Future Prospect

Textile sector especially spinning is going through hard times. The reduced demand of yarn and fabric from China and stiff competition in international market are the main concerns. It is expected that, cotton prices will be stable and may be benefit the spinning sector only if yarn prices move up, improving profit margins.

Currently the economic indicators are strong. The consumer price index (CPI) is in single digit, a stable Pakistan Rupee parity with US dollar and other major currency and lower oil prices are the main indicators. But the shortage of gas and electricity and appreciation of Rupees are the major concern for textile industry in Pakistan.

In the absence of gas supply in Punjab the machineries are 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 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: 27<sup>th</sup> April 2015



BLESSED TEXTILES LIMITED

**Condensed Interim Balance Sheet (Un-audited)  
As At March 31, 2015**

Note	31 March 2015 Rupees (Un-audited)	30 June 2014 Rupees (Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<i>Authorized capital</i>		
6,500,000 (June 30, 2014: 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 reserve	<b>2,500,000,000</b>	2,500,000,000
Accumulated profit	<b>83,814,955</b>	54,705,362
<b>TOTAL EQUITY</b>	<b>2,648,134,955</b>	2,619,025,362
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term finances - Secured	<b>1,109,624,251</b>	1,321,202,715
Deferred liabilities	<b>129,439,968</b>	120,837,950
	<b>1,239,064,219</b>	1,442,040,665
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>459,562,155</b>	401,350,789
Accrued interest/mark-up	<b>75,964,122</b>	45,995,403
Short term borrowings - Secured	<b>1,081,800,000</b>	682,904,828
Current portion of non-current liabilities	<b>291,274,601</b>	274,745,672
	<b>1,908,600,878</b>	1,404,996,692
<b>TOTAL LIABILITIES</b>	<b>3,147,665,097</b>	2,847,037,357
<b>CONTINGENCIES AND COMMITMENTS</b>	4	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,795,800,052</b>	5,466,062,719

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

**Mohammad Amin**  
Chief Executive

Karachi: 27<sup>th</sup> April 2015




BLESSED TEXTILES LIMITED

**Condensed Interim Balance Sheet (Un-audited)  
As At March 31, 2015**

	Note	31 March 2015 Rupees (Un-audited)	30 June 2014 Rupees (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	3,095,534,681	3,237,432,974
Long term deposits - <i>Unsecured, Considered good</i>		14,154,095	11,125,095
		<b>3,109,688,776</b>	<b>3,248,558,069</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		91,279,243	82,004,420
Stock in trade		1,793,715,945	1,485,039,828
Trade debts		478,392,802	252,948,137
Advances, prepayments and other receivables		48,947,697	64,216,928
Sales tax refundable		69,794,226	82,566,517
Income tax refundable		133,631,351	191,477,753
Bank balances		53,530,302	59,251,067
Non-current assets held for sale	6	16,819,710	-
		<b>2,686,111,276</b>	<b>2,217,504,650</b>
<b>TOTAL ASSETS</b>		<b>5,795,800,052</b>	<b>5,466,062,719</b>

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

  
**Mohammad Salim**  
 Director



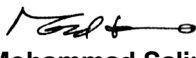
BLESSED TEXTILES LIMITED

**Condensed Interim Profit and Loss Account (Un-Audited)  
for the nine months ended March 31, 2015**

	Nine months ended		Three months ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	.....RUPEES.....		.....RUPEES.....	
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
<b>Sales - net</b>	<b>5,966,882,549</b>	5,012,358,546	<b>1,848,049,304</b>	2,053,052,735
Cost of sales	<b>5,434,645,248</b>	4,374,606,442	<b>1,669,023,693</b>	1,838,003,879
<b>Gross profit</b>	<b>532,237,301</b>	637,752,104	<b>179,025,611</b>	215,048,856
Selling and distribution expenses	<b>127,715,916</b>	109,835,747	<b>40,485,908</b>	46,746,897
Administrative and general expenses	<b>77,728,191</b>	69,165,392	<b>27,265,018</b>	25,418,190
	<b>205,444,107</b>	179,001,139	<b>67,750,926</b>	72,165,087
	<b>326,793,194</b>	458,750,965	<b>111,274,685</b>	142,883,769
Other income	<b>3,996,974</b>	1,311,030	<b>655,574</b>	439,334
<b>Operating profit</b>	<b>330,790,168</b>	460,061,995	<b>111,930,259</b>	143,323,103
Finance cost	<b>217,676,378</b>	192,490,250	<b>78,002,522</b>	100,446,675
Other charges	<b>8,459,999</b>	14,742,336	<b>2,328,373</b>	1,618,820
	<b>226,136,377</b>	207,232,586	<b>80,330,895</b>	102,065,495
<b>Profit before taxation</b>	<b>104,653,791</b>	252,829,409	<b>31,599,364</b>	41,257,608
Provision for taxation	<b>59,464,198</b>	49,930,805	<b>18,616,674</b>	20,333,008
<b>Profit after taxation</b>	<b>45,189,593</b>	202,898,604	<b>12,982,690</b>	20,924,600
<b>Earnings per share - basic and diluted</b>	<b>7.03</b>	31.55	<b>2.02</b>	3.25

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

  
**Mohammad Amin**  
Chief Executive

  
**Mohammad Salim**  
Director

Karachi: 27<sup>th</sup> April 2015



BLESSED TEXTILES LIMITED

**Condensed Interim Statement of Comprehensive Income (Un-Audited)  
for the nine months ended March 31, 2015**

	Nine months ended		Three months ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Rupees (Un-audited)	Rupees (Un-audited)	Rupees (Un-audited)	Rupees (Un-audited)
Profit after taxation	45,189,593	202,898,604	12,982,690	20,924,600
Other comprehensive income	-	-	-	-
Total comprehensive income	45,189,593	202,898,604	12,982,690	20,924,600

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

**Mohammad Amin**  
Chief Executive

**Mohammad Salim**  
Director

Karachi: 27<sup>th</sup> April 2015




BLESSED TEXTILES LIMITED

**Condensed Interim Cash Flow Statement (Un-Audited)  
for the nine months ended March 31, 2015**

	31 March 2015 Rupees (Un-audited)	31 March 2014 Rupees (Un-audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	104,653,791	252,829,409
Adjustments for non-cash and other items	483,413,698	363,777,901
Operating profit before changes in working capital	588,067,489	616,607,310
Changes in working capital	(475,192,118)	(1,390,283,641)
Cash generated from operations	112,875,371	(773,676,331)
Payments for:		
Employees retirement benefits	(16,367,662)	(10,518,073)
Interest/markup	(187,342,994)	(127,854,621)
Income tax	(1,617,796)	(59,706,991)
<b>Net used in operating activities</b>	<b>(92,453,081)</b>	<b>(971,756,016)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(126,691,692)	(1,340,861,410)
Proceeds from disposal of property, plant and equipment	25,528,000	350,000
<b>Net cash used in investing activities</b>	<b>(101,163,692)</b>	<b>(1,340,511,410)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finances obtained	-	1,210,886,000
Repayment of long term finances	(195,049,535)	(290,523,215)
Net increase in short term borrowings	398,895,172	1,468,929,790
Dividend paid	(15,949,629)	(31,844,542)
<b>Net cash generated from financing activities</b>	<b>187,896,008</b>	<b>2,357,448,033</b>
<b>Net increase in cash and cash equivalents</b>	<b>(5,720,765)</b>	<b>45,180,607</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>59,251,067</b>	<b>36,978,537</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>53,530,302</b>	<b>82,159,144</b>

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

  
**Mohammad Amin**  
 Chief Executive

  
**Mohammad Salim**  
 Director

Karachi: 27<sup>th</sup> April 2015



of Companies

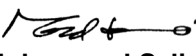
BLESSED TEXTILES LIMITED

**Condensed Interim Statement of Changes In Equity (Un-Audited)  
for the nine months ended March 31, 2015**

	Issued subscribed and paid-up capital	General Reserves	Accumulated Profit	Total equity
	Rupees	Rupees	Rupees	Rupees
<b>Balance as at July 01, 2013 - Audited</b>	64,320,000	2,300,000,000	56,901,463	2,421,221,463
<b>Comprehensive income</b>				
Profit after taxation	-	-	202,898,604	202,898,604
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	202,898,604	202,898,604
<b>Balance as at March 31, 2014 - Un-audited</b>	64,320,000	2,300,000,000	259,800,067	2,624,120,067
<b>Comprehensive income</b>				
Profit after taxation	-	-	30,637,856	30,637,856
Other comprehensive income	-	-	(3,572,561)	(3,572,561)
<b>Total comprehensive income</b>	-	-	27,065,295	27,065,295
<b>Transaction with owners</b>				
Final dividend @ 50% i.e. Rs. 5.0 per ordinary share	-	-	(32,160,000)	(32,160,000)
Profit transferred to general reserve	-	200,000,000	(200,000,000)	-
	-	200,000,000	(232,160,000)	(32,160,000)
<b>Balance as at June 30, 2014 - Audited</b>	64,320,000	2,500,000,000	54,705,362	2,619,025,362
<b>Comprehensive income</b>				
Profit after taxation	-	-	45,189,593	45,189,593
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	45,189,593	45,189,593
<b>Transaction with owners</b>				
Final dividend @ 25% i.e. Rs. 2.5 per ordinary share	-	-	(16,080,000)	(16,080,000)
<b>Balance as at March 31, 2015 - Un-audited</b>	64,320,000	2,500,000,000	83,814,955	2,648,134,955

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

  
**Mohammad Amin**  
Chief Executive

  
**Mohammad Salim**  
Director

Karachi: 27<sup>th</sup> April 2015





## BLESSED TEXTILES LIMITED

### Notes to the Condensed Interim Financial Information (Un-audited) for the nine months ended March 31, 2015

#### 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 nine months ended March 31, 2014 are based on unaudited, interim financial information.

#### 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.



BLESSED TEXTILES LIMITED

**Notes to the Condensed Interim Financial Information (Un-audited)  
for the nine months ended March 31, 2015**

**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

**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.

	<b>Note</b>	<b>March 31, 2015</b>	June 30, 2014
		<b>Rupees</b>	<i>Rupees</i>
		<b>(Un-Audited)</b>	<i>(Audited)</i>
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>2,839,729,719</b>	3,046,157,844
Capital work in progress		<b>255,804,962</b>	191,275,130
		<b><u>3,095,534,681</u></b>	<u>3,237,432,974</u>

**5.1 Operating fixed assets**

Net book value at the beginning of the period/year	<b>3,046,157,844</b>	1,560,483,230
Additions during the period/year		
Freehold land	<b>3,598,875</b>	-
Factory buildings	-	337,731,926
Plant and machinery	<b>57,516,545</b>	1,348,415,401
Equipment and other assets	-	4,768,953
Electric installation	-	3,764,247
Vehicles	<b>1,046,440</b>	31,843,382
	<b>62,161,860</b>	1,726,523,909
Net book value of assets disposed during the period/year	<b>(22,889,985)</b>	(1,621,676)
Depreciation for the period/year	<b>(245,700,000)</b>	(239,227,619)
Net book value at the end of the period/year	<b><u>2,839,729,719</u></b>	<u>3,046,157,844</u>



BLESSED TEXTILES LIMITED

**Notes to the Condensed Interim Financial Information (Un-audited)  
for the nine months ended March 31, 2015**

**6 NON-CURRENT ASSETS HELD FOR SALE**

These represent interest in land acquired for re-sale. The sale is expected to be completed with in 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.

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

	Nine months ended	
	March 31, 2015	March 31, 2014
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
<b>8.1 Transactions with related parties</b>		
<b>Nature of relationship</b>	<b>Nature of transaction</b>	
Associated companies	Purchases	280,930,003
	Sales	240,762,240
	Rent paid	687,290,714
	Purchase of electricity	458,147,282
	Dividend paid	225,000
		236,645,847
		227,169,077
		2,972,900
		5,945,800

**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



BLESSED TEXTILES LIMITED

**Notes to the Condensed Interim Financial Information (Un-audited)  
for the nine months ended March 31, 2015**

Information about operating segments as at March 31, 2015 and for the nine months then ended is as follows:

	Nine months ended 31-Mar-15			
	Weaving Rupees (Un-audited)	Spinning Rupees (Un-audited)	Power Rupees (Un-audited)	Total Rupees (Un-audited)
Revenue from external customers	<u>4,301,182,637</u>	<u>1,665,699,912</u>	<u>-</u>	<u>5,966,882,549</u>
Inter-segment revenues	<u>121,517,081</u>	<u>-</u>	<u>42,911,064</u>	<u>164,428,145</u>

	Nine months ended March 31, 2014			
	Weaving Rupees (Un-audited)	Spinning Rupees (Un-audited)	Power Rupees (Un-audited)	Total Rupees (Un-audited)
Revenue from external customers	<u>3,382,297,862</u>	<u>1,630,060,684</u>	<u>-</u>	<u>5,012,358,546</u>
Inter-segment revenues	<u>25,435,371</u>	<u>-</u>	<u>51,381,238</u>	<u>76,816,609</u>

	As at March 31, 2015				
	Spinning Rupees (Un-audited)	Power Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment assets	<u>4,561,656,100</u>	<u>936,079,597</u>	<u>80,484,683</u>	<u>217,579,672</u>	<u>5,795,800,052</u>

	As at June 30, 2014				
	Spinning Rupees (Audited)	Power Rupees (Audited)	Weaving Rupees (Audited)	Un-allocated Rupees (Audited)	Total Rupees (Audited)
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 March 31, 2015				
	Spinning Rupees (Un-audited)	Power Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment liabilities	<u>245,701,587</u>	<u>174,808,507</u>	<u>51,623,344</u>	<u>2,675,531,659</u>	<u>3,147,665,097</u>

	As at June 30, 2014				
	Spinning Rupees (Audited)	Power Rupees (Audited)	Weaving Rupees (Audited)	Un-allocated Rupees (Audited)	Total Rupees (Audited)
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>



BLESSED TEXTILES LIMITED

**Notes to the Condensed Interim Financial Information (Un-audited)  
for the nine months ended March 31, 2015**

**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 April 27, 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

**Mohammad Salim**  
Director

Karachi: 27<sup>th</sup> April 2015

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