



of Companies

**FIRST QUARTERLY ACCOUNTS
2017-2018
(UN - AUDITED)**

UMER GROUP OF COMPANIES

BLESSED TEXTILES LIMITED

DIRECTORS' REVIEW

On behalf of the board of directors of Blessed Textiles Limited, I am presenting the un-audited condensed interim financial statements for the first quarter ended 30-September-2017

Significant financial performance of the first quarter ended 30-September-2017;

Profit after tax for the first quarter ended 30th September, 2017 is PKR 61.913 million compared to PKR 69.527 million of the corresponding first quarter ended 30th September, 2016.

Gross Profit for the first quarter ended 30th September, 2017 is PKR 214.503 million as compared to previous year 30th September, 2016 where it stands at PKR 153.523 million.

Earnings per share for the first quarter ended 30th September, 2017 is PKR 9.63 (30th September, 2016 PKR 10.81)

During the quarter ended 30th September, 2017 sales has been increased by PKR 24.45% as compared to sales of the previous year ended 30th September, 2016.

Future Outlook

On the global economic and financial front, it was noted that the year 2017 started with high hopes of a steady growth in recovery which even mostly materialized during the first quarter in many parts of the world. However, in recent talk amongst leading economic institutions, observers and analysts, fears have arisen that the global economy could again enter the doldrums and push the prospects of any growth and restitution downstream.

The long due awaited textile package to boost textile exports assisted in achieving an increase in exported textile goods. This is evident from the fact that goods worth \$3.3 billion during July-September period of the FY2017-18 as against \$3 billion of the same period of the last year due to long awaited textile package however, the textile millers, value-added textile producers as well as textile exporters are deeply concerned on withholding the large amounts of outstanding custom rebates, sales tax & income tax refunds of the textile sector and even raising unnecessary objections eventually creating liquidity crunch and hampering the smooth flow of business activities and economic growth.

With the CPEC taking shape and a possible end to the power crisis, economic outlook is positive. Major gains are already being seen by the service industry, construction sector and the auto industry with global players also entering the Pakistani market, the textile sectors are still awaiting for their pie in CPEC. The textile industry have strong concerns on lost opportunities in agriculture and growing foreign competition from China and India, in particular from such newcomers as Vietnam and non-cotton-growing Bangladesh.

However, management is expecting results bases on strong correlation between demand and supply in upcoming quarter to maintain the level of profitability.

Acknowledgement

The Board highly appreciates the contribution of employees, bankers, corporate regulators, stakeholders and other government authorities for their continuous support.



**On behalf of the Board
MOHAMMAD AMIN
Chief Executive**

Karachi: 30th October, 2017

BLESSED TEXTILES LIMITED

**Condensed Interim Balance Sheet (Un-Audited)
As at September 30, 2017**

	(UN-AUDITED) SEPTEMBER 30 2017 RUPEES	(AUDITED) JUNE 30 2017 RUPEES
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
<i>Authorized capital</i>		
6,500,000 (June 30, 2017: 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	2,800,000,000	2,800,000,000
Accumulated profits	170,871,777	108,958,561
TOTAL EQUITY	3,035,191,777	2,973,278,561
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances - Secured	1,775,445,497	1,817,590,905
Deferred liabilities	380,576,307	374,847,389
	2,156,021,804	2,192,438,294
CURRENT LIABILITIES		
Trade and other payables	480,510,538	420,551,837
Accrued markup / interest	26,328,208	30,863,256
Short term borrowings - Secured	590,556,992	1,242,800,994
Current portion of non-current liabilities	242,512,504	221,741,940
	1,339,908,242	1,915,958,027
CONTINGENCIES AND COMMITMENTS	4	-
	-	-
TOTAL EQUITY AND LIABILITIES	6,531,121,823	7,081,674,882

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



MOHAMMAD AMIN
Chief Executive

Karachi: 30th October, 2017




BLESSED TEXTILES LIMITED

Condensed Interim Balance Sheet (Un-Audited) As at September 30, 2017

	Note	(UN-AUDITED) SEPTEMBER 30 2017 RUPEES	(AUDITED) JUNE 30 2017 RUPEES
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,851,538,976	3,897,890,705
Long term deposits - <i>Unsecured, Considered good</i>		14,154,095	14,154,095
		3,865,693,071	3,912,044,800
CURRENT ASSETS			
Stores, spares and loose tools		81,954,258	72,384,810
Stock in trade		1,259,654,951	1,821,519,639
Trade debts		614,082,696	523,159,134
Advances, deposits, prepayments and other receivables		95,308,260	91,496,284
Sales tax refundable		187,445,808	264,688,706
Advance income tax		350,992,408	360,939,015
Cash and bank balances		75,990,371	35,442,494
		2,665,428,752	3,169,630,082
TOTAL ASSETS		6,531,121,823	7,081,674,882

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


MOHAMMAD SALIM
Director

BLESSED TEXTILES LIMITED

**Condensed Interim Profit And Loss Account (Un-Audited)
For The First Quarter Ended September 30, 2017**

	Note	QUARTER ENDED	
		SEPTEMBER 30	SEPTEMBER 30
		2017	2016
		RUPEES	RUPEES
Sales - net		2,389,377,386	1,920,003,781
Cost of sales		2,174,873,548	1,766,481,201
Gross profit		214,503,838	153,522,580
Selling and distribution expenses		50,019,786	34,389,008
Administrative and general expenses		30,470,659	26,257,212
		80,490,445	60,646,220
		134,013,393	92,876,360
Other income		953,399	39,587,475
Operating profit		134,966,792	132,463,835
Finance cost		36,423,591	36,649,236
Other charges		6,762,768	7,109,825
		43,186,359	43,759,061
Profit before taxation		91,780,433	88,704,774
Provision for taxation	6	29,867,217	19,177,761
Profit after taxation		61,913,216	69,527,013
Earnings per share - basic and diluted		9.63	10.81

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



MOHAMMAD AMIN
Chief Executive



MOHAMMAD SALIM
Director

Karachi: 30th October, 2017

BLESSED TEXTILES LIMITED

**Condensed Interim Statement of Other Comprehensive Income (Un-Audited)
For The First Quarter Ended September 30, 2017**

	QUARTER ENDED	
	SEPTEMBER 30 2017 RUPEES	SEPTEMBER 30 2016 RUPEES
Profit after taxation	61,913,216	69,527,013
Other comprehensive income	-	-
Total comprehensive income	61,913,216	69,527,013

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



MOHAMMAD AMIN
Chief Executive



MOHAMMAD SALIM
Director

Karachi: 30th October, 2017



BLESSED TEXTILES LIMITED

Condensed Interim Cash Flow Statement (Un-Audited) For The First Quarter Ended September 30, 2017

	QUARTER ENDED	
	SEPTEMBER 30 2017 RUPEES	SEPTEMBER 30 2016 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	91,780,433	88,704,774
Adjustments for non-cash and other items		
Interest/markup on borrowings	36,423,591	36,649,236
Gain on disposal of property, plant and equipment	(312,938)	(38,775,692)
Provision for employees retirement benefits	8,510,000	5,790,000
Depreciation	96,246,000	86,490,000
	140,866,653	90,153,544
Operating profit before changes in working capital	232,647,086	178,858,318
Changes in working capital		
Stores, spares and loose tools	(9,569,448)	(4,431,094)
Stock in trade	561,864,688	742,660,913
Trade debts	(90,923,562)	(87,836,884)
Advances, prepayments and other receivables	(3,811,976)	21,304,520
Sales tax refundable	77,242,898	19,122,532
Trade and other payables	60,478,776	44,634,253
	595,281,376	735,454,240
Net cash generated from operations	827,928,462	914,312,558
Payments for:		
Employees retirement benefits	(3,295,345)	(4,806,759)
Interest/markup	(40,958,639)	(40,827,182)
Income tax	(19,920,610)	(14,498,346)
Net cash generated from operating activities	763,753,868	854,180,271
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(50,031,333)	(25,510,135)
Proceeds from disposal of property, plant and equipment	450,000	85,917,695
Net cash (used in) / generated from investing activities	(49,581,333)	60,407,560

BLESSED TEXTILES LIMITED

**Condensed Interim Cash Flow Statement (Un-Audited)
For The First Quarter Ended September 30, 2017**

	QUARTER ENDED	
	SEPTEMBER 30 2017 RUPEES	SEPTEMBER 30 2016 RUPEES
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances obtained	28,868,000	-
Repayment of long term finances	(50,242,844)	(63,502,406)
Net (decrease) in short term borrowings	(652,244,002)	(722,885,111)
Dividend paid	(5,812)	-
Net cash used in financing activities	(673,624,658)	(786,387,517)
NET INCREASE IN CASH AND CASH EQUIVALENTS	40,547,877	128,200,314
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	35,442,494	65,245,024
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	75,990,371	193,445,338

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



MOHAMMAD AMIN
Chief Executive



MOHAMMAD SALIM
Director

Karachi: 30th October, 2017

BLESSED TEXTILES LIMITED

Condensed Interim Statement of Changes In Equity (Un-Audited) For The First Quarter Ended September 30, 2017

	Issued subscribed and paid-up capital	General reserve	Accumulated profit	Total equity
	Rupess	Rupess	Rupess	Rupess
Balance as at July 01, 2016 - Audited	64,320,000	2,600,000,000	94,730,673	2,759,050,673
Comprehensive income				
Profit after taxation	-	-	69,527,013	69,527,013
Other comprehensive income	-	-	-	-
	-	-	69,527,013	69,527,013
Balance as at September 30, 2016 - Un-audited	<u>64,320,000</u>	<u>2,600,000,000</u>	<u>164,257,686</u>	<u>2,828,577,686</u>
Balance as at October 01, 2016 - Un-audited	64,320,000	2,600,000,000	164,257,686	2,828,577,686
Comprehensive income				
Profit after taxation	-	-	176,269,487	176,269,487
Other comprehensive income	-	-	591,388	591,388
Total comprehensive income	-	-	176,860,875	176,860,875
Final dividend @ 50% i.e. Rs. 5 per ordinary share	-	-	(32,160,000)	(32,160,000)
Profit transferred to general reserve	-	200,000,000	(200,000,000)	-
Balance as at June 30, 2017 - Audited	<u>64,320,000</u>	<u>2,800,000,000</u>	<u>108,958,561</u>	<u>2,973,278,561</u>
Balance as at July 01, 2017 - Audited	64,320,000	2,800,000,000	108,958,561	2,973,278,561
Comprehensive income				
Profit after taxation	-	-	61,913,216	61,913,216
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	61,913,216	61,913,216
Balance as at September 30, 2017 - Un-audited	<u>64,320,000</u>	<u>2,800,000,000</u>	<u>170,871,777</u>	<u>3,035,191,777</u>

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



MOHAMMAD AMIN
Chief Executive



MOHAMMAD SALIM
Director

Karachi: 30th October, 2017



BLESSED TEXTILES LIMITED

Notes to the Condensed Interim Financial Information (Un-audited) For The First Quarter Ended September 30, 2017

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 Pakistan Stock Exchange. 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, 2017.

The comparative interim balance sheet as at June 30, 2017 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 first quarter ended September 30, 2017 are based on unaudited, interim financial information.

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 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.

BLESSED TEXTILES LIMITED

Notes to the Condensed Interim Financial Information (Un-audited) For The First Quarter Ended September 30, 2017

3 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

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, 2016. However, the Company has applied the following new accounting policies for transactions, other events and conditions that did not occur previously.

4 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies since June 30, 2017.

		September 30, 2017	June 30, 2017
	Note	Rupees (Un-Audited)	Rupees (Audited)
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	3,772,368,524	3,868,751,586
Capital work in progress		79,170,452	29,139,119
		3,851,538,976	3,897,890,705

5.1 Operating fixed assets

Net book value at the beginning of the period/year		3,868,751,586	3,511,366,822
Additions during the period/year			
Factory buildings		-	37,539,856
Plant and machinery		-	702,718,833
Equipment and other assets		-	3,449,505
Electric installation		-	22,016,393
Vehicles		-	11,342,512
		-	777,067,099
Net book value of assets disposed during the period/year		(137,062)	(58,756,818)
Depreciation for the period/year		(96,246,000)	(360,925,517)
Net book value at the end of the period/year		3,772,368,524	3,868,751,586

		September 30, 2017	September 30, 2016
	Note	Rupees (Un-Audited)	Rupees (Un-Audited)
6 PROVISION FOR TAXATION			
Provision for taxation			
Current taxation	6.1	29,867,217	19,177,761
Deferred taxation	6.2	-	-
		29,867,217	19,177,761

6.1 Provision for current tax has been in accordance with the requirements of the Income Tax Ordinance, 2001.

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

BLESSED TEXTILES LIMITED

Notes to the Condensed Interim Financial Information (Un-audited) For The First Quarter Ended September 30, 2017

7 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 include the Chief Executive and Directors of the Company.

Transactions with key management personnel are limited to payment of short term employee benefits and dividend on ordinary shares. 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 orderly transaction between market participants.

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

		First Quarter Ended	
		September 30, 2017	September 30, 2016
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
7.1 Transactions with related parties			
Nature of relationship	Nature of transaction		
Associated companies	Purchases	54,058,961	39,784,000
	Sales	319,536,159	244,507,321
	Service received	77,250	79,500
	Purchase of electricity	137,310,577	10,153,388

7.2 Balances with related parties

There are no balances due to/from related parties as at the reporting date.

8 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	Manufacture and sale of yarn
Weaving	Manufacture and sale of woven fabric
Power	Generation and sale of electricity

Information about operating segments is as follows:

Quarter ended September 30, 2017				
	Spinning <i>Rupees</i>	Weaving <i>Rupees</i>	Power <i>Rupees</i>	Total <i>Rupees</i>
Revenue from external customers	1,763,444,723	625,932,663	-	2,389,377,386
Inter-segment revenues	62,976,500	-	24,258,908	87,235,408
Segment results	96,829,900	42,358,971	(4,222,079)	134,966,792

Quarter ended September 30, 2016				
	Spinning <i>Rupees</i>	Weaving <i>Rupees</i>	Power <i>Rupees</i>	Total <i>Rupees</i>
Revenue from external customers	1,308,216,966	611,786,815	-	1,920,003,781
Inter-segment revenues	90,144,950	-	21,412,179	111,557,129
Segment results	93,843,469	45,393,994	(6,773,628)	132,463,835

BLESSED TEXTILES LIMITED

**Notes to the Condensed Interim Financial Information (Un-audited)
For The First Quarter Ended September 30, 2016**

As at September 30, 2017

	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment assets	4,388,865,134	1,717,935,906	59,174,280	365,146,503	6,531,121,823

As at June 30, 2017

	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment assets	4,895,040,551	1,752,426,809	59,114,412	375,093,110	7,081,674,882

As at September 30, 2017

	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment liabilities	344,889,562	218,873,387	65,151,185	2,867,015,912	3,495,930,046

As at June 30, 2017

	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment liabilities	290,038,750	205,535,395	54,409,326	3,558,412,850	4,108,396,321

9 EVENTS AFTER THE REPORTING PERIOD

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

10 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.

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 October 30, 2017.

12 GENERAL


12.1 There are no other significant activities since June 30, 2017 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: 30th October, 2017

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