

VISION

A leader company maintaining an excellent level of ethical and professional standards.



MISION STATEMENT

To become a top quality manufacturer of textile products in the local & international markets.

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2020

- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

	Effective date (annual periods beginning on or after)
IFRS 17 - Insurance contracts (2017)	January 01, 2021
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Definition of a Business (Amendments to IFRS 3 - Business Combinations)	January 01, 2020
Definition of Material (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)	January 01, 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures)	January 01, 2020
Other than afore-mentioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ['SECP']:	
IFRS 1 - First Time Adoption of International Financial Reporting Standards	
IFRS 14 - Regulatory Deferral Accounts	
IFRS 17 – Insurance contracts (2017)	

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the Company's financial statements other than in presentation/disclosures.

5 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2019.

	Note	March 31, 2020	June 30, 2019
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
6 LONG TERM PAYABLES			
These include the following:			
Infrastructure Cess	6.1	122,113,719	98,205,748
Gas Infrastructure Development Cess	6.2	128,173,539	128,173,539
		250,287,258	226,379,287

6.1 Infrastructure tax

Sindh Infrastructure Cess was levied by Excise and Taxation Officer ['ETO'] Government of Sindh on movement of imported goods entering the Sindh Province from outside Pakistan and Punjab Infrastructure Tax levied by ETO Government of Punjab on movement of imported goods entering the Punjab Province from outside Pakistan. The Company has obtained stay on the recovery of these levies by respective ETOs. During the pendency of final judgement on this, the Honorable Courts granting stay have directed the petitioners to pay 50% of liability for levies to ETOs and to arrange bank gaurantees for the remaining amount in favour of ETOs. The liability represents 50% of levies against which guarantees have been arranged in favour of ETO.

6.2 Gas Infrastructure Development Cess

Gas Infrastructure Development Cess ['GIDC'] was levied by Sui Northern Gas Pipelines Limited ['SNGPL'] and Sui Southern Gas Pipelines Limited ['SSGCL']. The Company and others have filed a suit before the Lahore High Court ['LHC'] and Sindh High Court

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2020

['SHC'] challenging the levy. The LHC & SHC have granted the stay in favour of the Company and directed SNGPL and SSGC to avoid collection of GIDC. The liability represents amount of GIDC payable against which the Company has obtained stay order.

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 Bills discounted/negotiated as at the reporting date amount to Rs. 265.530 million (June 30, 2019: Rs. 1,233.61 million).

7.1.2 There is no significant change in the status of remaining contingencies since June 30, 2019.

7.2 Commitments

	Note	March 31, 2020 Rupees (Un-audited)	June 30, 2019 Rupees (Audited)
7.2.1	Commitments under irrevocable letters of credit:	4,339,013,809	389,012,535

8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1	3,458,905,452	3,744,096,165
Capital work in progress		397,640,238	36,963,584
		3,856,545,690	3,781,059,749

8.1 Operating fixed assets

Net book value at the beginning of the period/year		3,744,096,165	3,592,585,178
Additions during the period/year			
Freehold land		-	-
Factory buildings		-	33,375,046
Plant and machinery		-	474,996,171
Equipment and other assets		-	4,925,397
Electric installation		-	12,961,169
Furniture and fixtures		-	732,810
Office equipments		-	2,200,000
Vehicles		2,587,390	15,754,569
		2,587,390	544,945,162
Net book value of assets disposed during the period/year		(378,103)	(18,747,479)
Depreciation for the period/year		(287,400,000)	(374,686,696)
Net book value at the end of the period/year		3,458,905,452	3,744,096,165

		Nine Months		Quarter ended	
	Note	March 31, 2020 Rupees (Un-Audited)	March 31, 2019 Rupees (Un-Audited)	March 31, 2020 Rupees (Un-Audited)	March 31, 2019 Rupees (Un-Audited)

9 PROVISION FOR TAXATION

Current taxation	9.1	117,440,927	101,412,350	36,958,201	36,222,863
Deferred taxation	9.2	-	-	-	-
		117,440,927	101,412,350	36,958,201	36,222,863

9.1 Provision for current tax has been in accordance with the requirements of section 113 and 169 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,

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2020

directly or indirectly, and includes the Chief Executive and Directors of the Company. The details of Company's related parties, with whom the Company had transactions during the period or has balances outstanding as at the reporting date are as follows:

Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding in the Company
Faisal Spinning Mills Limited	Associated company	Common directorship	18.49%
Bhanero Textiles Mills Limited	Associated company	Common directorship	0.00%
Bhanero Energy Limited	Associated company	Common directorship	0.00%
Admiral (Private) Limited	Associated company	Common directorship	0.00%
Mohammad Amin	Key management personnel	Chief executive officer	4.39%
Adil Shakeel	Key management personnel	Director	4.12%
Mohammad Shaheen	Key management personnel	Director	1.07%

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 orderly transaction between market participants at the date of transaction.

There are no balances with related parties as at the reporting date. Names, basis of relationship, details of transactions with associated undertakings & related parties is as follows:

	Nine month ended		Quarter Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Rupees	Rupees	Rupees	Rupees
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)

10.1 Transactions with related parties

Nature of relationship	Nature of transaction				
Associated companies	Purchases	236,155,163	226,125,697	86,229,236	88,984,308
	Sales	1,115,070,707	973,552,048	392,014,182	306,502,233
	Service received	231,750	231,750	77,250	77,250
	Purchase of electr	6,771,682	102,325,174	5,461,561	16,223,982
Key management persc	Short term employ	20,800,000	17,550,000	7,800,000	5,850,000

11 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	March 31, 2020	June 30, 2019
	Rupees	Rupees
	(Un-Audited)	(Audited)
Financial assets		
Cash in hand	1,137,284	-
Financial assets at amortized cost		
Long term deposits	14,394,095	14,394,095
Trade debts	650,758,959	971,214,665
Advances to employees	15,365,369	16,981,488
Security deposits	115,065,677	97,629,246
Bank balances	224,234,024	302,171,995
	1,019,818,124	1,402,391,489
	1,020,955,408	1,402,391,489
	March 31, 2020	June 30, 2019
	Rupees	Rupees
	(Un-Audited)	(Audited)
Financial liabilities		

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2020

Financial liabilities at amortized cost

Long term finances	1,963,249,042	1,969,798,943
Short term borrowings	2,140,718,957	2,190,946,621
Accrued interest/markup	53,672,854	75,540,323
Trade creditors	243,043,116	172,483,346
Accrued liabilities	176,085,427	286,681,689
Unclaimed dividend	156,306,962	5,053,216
	4,733,076,358	4,700,504,138

12 FAIR VALUE MEASUREMENTS

12.1 Financial Instruments

There are no recurring or non-recurring fair value measurements as at the reporting date. The management considers the carrying amount of all the financial instruments to approximate their fair values.

12.2 Assets and liabilities other than financial instruments.

None of the assets and liabilities other than financial instruments are measured at fair value.

13 SEGMENT REPORTING

The Company has two 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

Information about operating segments is as follows:

	Nine months ended March 31, 2020			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Total Rupees (Un-audited)	
Revenue from external customers	7,047,163,329	2,280,355,193	9,327,518,522	
Inter-segment transfers	106,004,759	-	106,004,759	
Segment results	525,822,415	196,688,459	722,510,874	
	Nine months ended March 31, 2019			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Total Rupees (Un-audited)	
Revenue from external customers	6,395,854,796	2,373,378,973	8,769,233,769	
Inter-segment transfers	208,758,620	-	208,758,620	
Segment results	491,816,940	266,614,133	758,431,073	
	As at March 31, 2020			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment assets	6,984,218,899	1,916,108,852	382,453,173	9,282,780,924
	As at June 30, 2019			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment assets	7,056,471,766	1,702,138,421	369,941,480	9,128,551,667

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2020

	As at March 31 , 2020			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment liabilities	599,049,407	292,173,185	4,551,944,831	5,443,167,423

	As at June 30, 2019			
	Spinning Rupees (Audited)	Weaving Rupees (Audited)	Un-allocated Rupees (Audited)	Total Rupees (Audited)
Segment liabilities	618,718,272	202,603,522	4,552,141,111	5,373,462,905

14 EVENTS AFTER THE REPORTING PERIOD

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


15 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 interim financial statements.

16 GENERAL

16.1 There are no other significant activities since June 30, 2019 affecting the interim financial statements.

16.2 Figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE
Karachi : April 28,2020


DIRECTOR


CHIEF FINANCIAL OFFICER