



of Companies

BLESSED TEXTILES LIMITED

DIRECTORS REVIEW

The directors have pleasure in submitting un-audited quarterly financial statements for the third quarter ended on March 31, 2007 in accordance with the requirements of section 245 of the Companies Ordinance, 1984.

FINANCIAL RESULTS

Allahumdulillah, your company has earned a net after tax profit of Rs. 90.312 million (March 2006: Rs. 122.882 million). The net sales of the company has reduced by Rs. 303.421 million which is due to the reason that the company was accepting orders in excess of the production capacity and exporting the commercially viable order through local procurement. The net sales have been decreased whereas the gross profit margin has increased by 1.91%. The distribution cost has been decreased due to decrease in net sales whereas the administrative expenses shows normal increasing trend. The financial cost has increased from Rs. 105.733 million to Rs. 137.559 million due to financing in unit No. 3 of the company. The increase in mark up rates / KIBOR especially on long term loans are causing increase in finance cost. The Earning Per Share (EPS) at the end of the third quarter ended on March 31, 2007 is Rs. 14.04 (March 2006: Rs. 19.10).

YEAR UNDER REVIEW

The prices of raw cotton remained on higher side and the yarn prices have still not reflected any signs of recovery. The local and international markets are depressed and there is lack of feasible orders. The financial cost on long term loans are high and the Government should allow LTF-EOP facility on machinery of spinning sector as well, otherwise the spinning unit will face great difficulty in following period. The weaving unit of the company has availed the Facility of LTF-EOP and the effect of decline in mark up will be visible in the subsequent period. The management is monitoring the situation and has decided to diversify its spinning Unit No III to the production of course count. The management has decided to add Auto conners, simplex, drawing frame and combers to have such diversification in Unit III. The management is delicately focusing the situation but there is a bleak situation unless there is a positive change in the government policy.

THANKS AND GRATITUDE.

Your director would like to place their appreciation of the cooperation of the financial institutions and dedication shown by the executives, officers, staff members and workers of the company in the performance of their duties. The directors do hope that it will continue in future.

On behalf of the Board

MOHAMMAD SHAHEEN
CHIEF EXECUTIVE / DIRECTOR

Karachi: April 27, 2007