



## BLESSED TEXTILES LIMITED

### NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2007

#### 1 THE COMPANY AND ITS OPERATIONS

The company was incorporated in Pakistan as a public limited company on September 29, 1987. Its shares are quoted on the Karachi, Lahore and Islamabad Stock Exchanges. The main business of the company is manufacturing and sales of yarn and woven fabrics.

#### 2 BASIS OF PREPARATION

2.1 These financial statements have been prepared in accordance with the directives issued by the Securities & Exchange Commission of Pakistan and are in compliance with the International Accounting standard (IAS) 34 "Interim Financial Reporting" and being submitted to shareholders as required by section 245 of the companies Ordinance 1984.

These financial statements have been prepared under "Historical Cost Convention" except for staff gratuity accounted for in accordance with "International Accounting Standard - 19" and modifications due to adjustments for exchange rates fluctuations and are un-audited.

#### 3 ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of the Nine Months financial statement are the same as those of the published annual financial statements for the period ended June 30, 2006.

	Share capital	General reserves	Unappropriated profits	Total
	RUPEES			
<b>Balance as at June 30, 2005</b>	64,320,000	350,000,000	62,795,922	477,115,922
Profit for the period			122,881,796	122,881,796
Final dividend for the year ended June 30, 2005 Rs. 0.75 per share			(4,824,000)	(4,824,000)
<b>Balance as at March 31, 2006</b>	<b>64,320,000</b>	<b>350,000,000</b>	<b>180,853,718</b>	<b>595,173,718</b>
Profit for the period	-	-	6,937,007	6,937,007
Transferred to general reserve	-	180,000,000	(180,000,000)	-
<b>Balance as at June 30, 2006</b>	<b>64,320,000</b>	<b>530,000,000</b>	<b>7,790,725</b>	<b>602,110,725</b>
Profit for the period	-	-	90,311,862	90,311,862
Final dividend for the year ended June 30, 2006 Rs. 0.75 per share	-	-	(4,824,000)	(4,824,000)
<b>Balance as at March 31, 2007</b>	<b>64,320,000</b>	<b>530,000,000</b>	<b>93,278,587</b>	<b>687,598,587</b>

	MARCH 2007 RUPEES	JUNE 2006 RUPEES
<b>4 LOAN FROM SPONSORS</b>	<b>100,000,000</b>	-

The above loan is unsecured, interest free and not repayable in the next twelve months.

#### 5 LONG-TERM FINANCING - SECURED

Opening Balance	950,000,000	530,000,000
Add: Received during the period	41,734,309	500,000,000
Less: Loan paid during the period	163,214,286	80,000,000
	<b>828,520,023</b>	<b>950,000,000</b>
Less: Current Portion	272,857,144	176,428,572
	<b>555,662,879</b>	<b>773,571,428</b>



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	MARCH 2007 RUPEES	JUNE 2006 RUPEES
<b>6 LONG-TERM MURABAHA - SECURED</b>		
Opening Balance	118,181,819	154,545,455
Less: Loan paid during the period	27,272,727	36,363,636
	90,909,092	118,181,819
Less: Current Portion	36,363,636	36,363,636
	54,545,456	81,818,183

### 7 CONTINGENCIES AND COMMITMENTS

#### 7.1 Contingencies

There is no material change in contingencies as disclosed in the notes to the financial statements for the year ended June 30, 2006 except for the professional tax which was imposed by provincial government. The Honourable Supreme Court of Pakistan decided the case in favor of provincial government. The company has paid the professional tax subsequently. The bank guarantee issued in favor of Sui Northern Co Ltd is amounted to Rs. 56.647 million and in favor of Excise and Taxation Office is amounted to Rs. 6.70 million.

	MARCH 2007 RUPEES	JUNE 2006 RUPEES
<b>7.2 Commitments</b>		
Letters of credits	73.939 Million	209.095 Million

### 8 ACQUISITION AND DISPOSAL OF FIXED ASSETS

	MARCH 31, 2007		JUNE 30, 2006	
	ADDITION	DELETIONS	ADDITION	DELETIONS
Freehold Land			-	-
Factory Building	1,173,849.00		177,582,904	
Non Factory Building	699,170.00	-	31,385,645	-
Plant and machinery	106,629,346.00	547,280.00	688,055,149	2,910,928
Equipments and Other Assets	5,265,182.00	-	2,428,949	-
Electric Instalations	-	-	17,124,667	-
Office equipment - Factory	-	-	38,130	-
Office equipment - Office	166,840.00	-	267,750	-
Furniture and Fixtures - office	522,950.00	-	-	-
Furniture and Fixture - Factory	38,488.00	-	1,468,158	-
Vehicles	2,416,390.00	1,218,103.00	4,876,783	1,498,726
	<b>116,912,215.00</b>	<b>1,765,383.00</b>	<b>923,228,135</b>	<b>4,409,654</b>

### 9 TRANSACTIONS WITH RELATED PARTIES

	MARCH 2007 RUPEES	MARCH 2006 RUPEES
Services Received	5,358,112	6,065,900
Electricity consumed	5,263,458	45,235,334
Dividend paid	891,870	891,870
Purchase of yarn , fabric and Store	161,557,184	675,190,515
Purchase of cotton	14,100,379	118,631,138
Sales of cotton	56,396,299	-
Sales of yarn and fabric	248,331,237	187,169,234
Purchase of property, plant and equipment	16,500,000	15,775,000
Sale of property, plant and equipment	-	875,000

Transactions with related parties are carried out at arm's length price.



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### 10 CYCLICALLY OF OPERATIONS

The textile business is an all year business however, major raw material purchases i.e cotton, take place during the four months from October to January. This leads to higher figures in respect of stocks, bank borrowings and sales tax refundable being reflected during those periods.

### 11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on April 27, 2007 by Board Of Directors of the Company.

### 12 GENERAL

Figures have been rounded off to the nearest rupee.

Corresponding figures have been re-arranged wherever necessary for the purpose of comparison.

**MOHAMMAD SHAHEEN**  
(Chief Executive)

**MOHAMMAD SALIM**  
(Director)

Karachi April 27, 2007