

# BLESSED TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2006 (UNAUDITED)

### 1 STATUS AND ACTIVITIES

The Company was incorporated in Pakistan on September 29, 1987 under the Companies Ordinance 1984 as a Public Limited Company and its shares are quoted on all stock exchanges of Pakistan. The registered office of the Company is situated at Umer Chambers, 10/2, Bilmoria Street, Off.I.I Chundrigar Road, Karachi. The Company is principally engaged in the manufacture and sale of yarn and woven fabrics.

### 2 BASIS OF PREPARATION

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 rate fluctuations.

These interim financial statements are unaudited. However, a limited scope review of these interim financial statements has been performed by the statutory auditors of the Company in accordance with the clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon.

### 3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2006

### 4 SHARE CAPITAL

		Note	December 31 2006 Rupees	June 30 2006 Rupees
<b>Issued, subscribed and paid-up</b>				
<b>Number of Shares</b>				
<b>December 2006</b>	<b>June 2006</b>			
6,432,000	6,432,000	ordinary shares of Rs. 10 each fully paid in cash	64,320,000	64,320,000
<b>6,432,000</b>	<b>6,432,000</b>		<b>64,320,000</b>	<b>64,320,000</b>

### 5 LOAN FROM SPONSORS - UNSECURED

5.1

100,000,000

-

5.1 The loans is unsecured and interest free. The loan is repayable on demand however the sponsors have given undertaking that they have no intention to demand the loan with in the period of next twelve months.

### 6 LONG TERM LOANS - SECURED

December 31  
2006  
Rupees

June 30  
2006  
Rupees

Opening balance	950,000,000	530,000,000
Add: during the period	41,734,309	500,000,000
Less: Loan paid during the period	115,000,000	80,000,000
	876,734,309	950,000,000
Less: Current portion	272,857,144	176,428,572
	<b>603,877,165</b>	<b>773,571,428</b>

### 7 LONG TERM MURABAHA - SECURED

Opening balance	118,181,819	154,545,455
Add: during the period	-	-
Less: Loan paid during the period	18,181,818	36,363,636
	100,000,001	118,181,819
Less: Current portion	36,363,636	36,363,636
	<b>63,636,365</b>	<b>81,818,183</b>

### 8 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Present value of Minimum lease payment	31,048,465	45,114,890
Less:		
Current portion	31,048,465	28,583,154
	-	<b>16,531,736</b>

# BLESSED TEXTILES LIMITED

## 9 CONTINGENCIES AND COMMITMENTS

There are no material changes in contingencies and commitments as disclosed in the notes to the financial statements for the year ended June 30, 2006

		<b>December 31 2006 Rupees</b>	<b>June 30 2006 Rupees</b>
<b>10 OPERATING FIXED ASSETS</b>			
Operating fixed assets	<b>10.1</b>	<b>1,637,082,571</b>	<b>1,658,154,235</b>
<b>10.1</b> Opening balance		1,658,154,235	882,288,991
Addition during the period	<b>10.2</b>	64,340,656	923,228,135
Less:			
W.D.V. of assets disposed off		552,320	945,558
Depreciation charged during the period		84,860,000	146,417,333
		<b>1,637,082,571</b>	<b>1,658,154,235</b>

	<b>December 31, 2006 Rupees</b>		<b>June 30, 2006 Rupees</b>	
<b>10.2 ACQUISITIONS AND DISPOSALS - AT COST</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Acquisition</b>	<b>Disposal</b>
<b>Owned</b>				
Freehold land	-	-	-	-
Building on freehold land				
Factory	621,405	-	177,582,904	-
Non factory	695,328	-	31,385,645	-
Plant and Machinery	56,224,673	547,280	688,055,149	2,910,928
Electric installation	-	-	17,124,667	-
Office equipments - factory	-	-	38,130	-
Office equipments - office	166,840	-	267,750	-
Equipment and other assets	5,265,182.00	-	2,428,949	-
Furniture and fixture - factory	451,338	-	1,468,158	-
Vehicles	915,890	846,313	4,876,783	1,498,726
	<b>64,340,656</b>	<b>1,393,593</b>	<b>923,228,135</b>	<b>4,409,654</b>

## 11 OPERATIONS OF NEW UNIT

The new unit of company started its commercial production in December 2005. Accordingly only one months activities had been reflected in comparative period.

## 12 EARNINGS PER SHARE

There is no dilutive effect on basic earnings per share of the Company which is based on::

	<b>HALF YEAR ENDED</b>		<b>QUARTER ENDED</b>	
	<b>December 31 2006</b>	<b>December 31 2005</b>	<b>December 31 2006</b>	<b>December 31 2005</b>
	.....Rupees.....		.....Rupees.....	
Profit after tax for the period	75,770,460	82,710,685	22,275,059	36,016,659
Weighted average number of ordinary shares	6,432,000	6,432,000	6,432,000	6,432,000
<b>Earning per share - Basic</b>	<b>11.78</b>	<b>12.86</b>	<b>3.46</b>	<b>5.60</b>

# BLESSED TEXTILES LIMITED

## 13 TRANSACTIONS WITH RELATED PARTIES

The Company enters into transactions with related parties in normal course of business at arm's length determined in accordance with "Comparable Uncontrolled Price Method". Transactions with related parties other than remuneration and benefits to key management personnel under the term of employment are as follows: -

	HALF YEAR ENDED	
	December 31	December 31
	2006	2005
	Rupees	
Sale of yarn, fabric and cotton	186,192,338	75,672,802
Purchase of yarn, fabric and cotton	140,140,991	704,340,449
Electricity purchase	2,654,285	34,986,160
Services rendered	2,243,112	-
Services availed	-	5,025,900
Purchase of property, plant and equipment	16,500,000	-
Dividend paid	891,870	891,870
<b>14 WORKING CAPITAL CHANGES</b>		
<b>(Increase)/decrease in current assets</b>		
Stores, spares and loose tools	(937,173)	(4,094,943)
Stock in trade	(222,672,924)	(226,985,396)
Trade debts	(31,561,688)	119,206,901
Loans and advances	(28,966,431)	148,969
Trade deposits	(7,931)	144,220
Other receivables	611,721	(15,019,321)
<b>Increase/(decrease) in current liabilities</b>		
Infrastructure fee payable	980,272	2,193,887
Trade and other payables	34,902,814	(4,448,696)
	<b>(247,651,340)</b>	<b>(128,854,379)</b>

## 15 DATE OF AUTHORIZATION FOR ISSUE

These interim financial statements were authorized for issue on 26 February 2007 by the Board of Directors of the Company.

## 16 OTHERS

- 16.1** There are no other significant activities since June 30, 2006 affecting the financial statements other than disclosed in these financial statements.
- 16.2** In consonance with other companies in the textile sector, the operations of the Company are subject to seasonal and cyclical trends. These seasonal and cyclical trends reflect in these interim financial statements.
- 16.3** Deferred tax provision has not been recognized, as the Company is being assessed under the final tax regime and the Company's export sales for the foreseeable future is likely to remain above the present threshold point.

## 17 FIGURES

Figures have been rounded off to the nearest rupee.

Director

Chief Executive