

## CORPORATE INFORMATION

|                                       |   |  |
|---------------------------------------|---|--|
| <b>BOARD OF DIRECTORS</b>             | Mr. Mohammad Shaheen<br>Mr. Mohammad Salim<br>Mr. Mohammad Sharif<br>Mr. Mohammad Shakeel<br>Mr. Khurram Salim<br>Mr. Bilal Sharif<br>Mr. Mohammad Amin<br>Mr. Adil Shakeel                   | Chief Executive / Director<br>Director<br>Director<br>Director<br>Director<br>Director<br>Director<br>Director |
| <b>COMPANY SECRETARY</b>              | Mr. Asif Mahmood<br>FCA, FCIS, FITM, FICS, APA  |  |
| <b>CHIEF FINANCIAL OFFICER</b>        | Mr. Anwar Hussain, FCA  |  |
| <b>AUDIT COMMITTEE</b>                | Mr. Khurram Salim<br>Mr. Bilal Sharif<br>Mr. Mohammad Sharif  | Chairman<br>Member<br>Member   |
| <b>AUDITORS</b>                       | Rahman Sarfaraz Rahim Iqbal Rafiq.<br>Chartered Accountants<br># 4, Block-B, 90-Canal Park<br>Gulberg II, Lahore.   |  |
| <b>LEGAL ADVISOR</b>                  | Mr. Shahid Pervaiz Jami   |  |
| <b>BANKERS</b>                        | MCB Bank Limited<br>Bank Al-Habib<br>Bank of Punjab Limited<br>Hong Kong and Shanghai Banking Corp. Ltd.  |  |
| <b>REGISTERED OFFICE</b>              | Umer Chambers, 10/2 Bilmoria Street,<br>Off. I.I. Chundrigar Road, Karachi.<br>Tel: (021) 2635916 - 17<br>Fax: (021) 263 - 7826<br>E-mail: khioff@umergroup.com<br>Website: www.umergroup.com |  |
| <b>LIAISON/CORRESPONDENCE OFFICE:</b> | 9th Floor, City Tower, 6-K,<br>Main Boulevard, Gulberg II, Lahore.<br>Tel: (042) 5770001-3 (111-130-130)<br>Fax: (042) 5770015<br>E-mail: lhroff@umergroup.com<br>Website: www.umergroup.com  |  |
| <b>MILLS AT:</b>                      | Spinning, Weaving &<br>Power Generation units are<br>situated at<br>Feroze Watwan, Shaikhupura, Punjab<br>Tel: (0496) 731724  |  |

## **BLESSED TEXTILES LIMITED.**

### **DIRECTORS REVIEW**

The directors have pleasure in submitting un-audited quarterly financial statements for the second quarter ended on December 31, 2006 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. 75.770 million (December 2005: Rs. 82.711 million). The net sales of the company has reduced by Rs. 329.601 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 5.46. The distribution cost has been decreased due to decrease in net sales whereas the administrative expenses and other operating expenses shows normal increasing trend. The financial cost has exorbitantly increased from Rs. 55.371 million to Rs. 91.300 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) for the first half of the year is Rs. 11.78 (December 2005: Rs. 12.86).

#### **YEAR UNDER REVIEW**

The prices of raw cotton are on higher side and the yarn prices have still not reflected any signs of recovery. 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 management is delicately focusing the situation but there is a bleak situation for the remaining period of the financial year.

#### **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: February 26, 2007*



## REVIEW REPORT TO THE MEMBERS

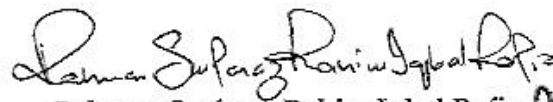
We have reviewed the annexed balance sheet of **BLESSED TEXTILES LIMITED** as at December 31, 2006 and the related profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof (here-in-after referred to as "financial statements"), for the half year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Lahore

Date: 26/02/07

  
**Rahman Sarfaraz Rahim Iqbal Rafiq**  
Formerly (Rahman Sarfaraz & Co.)  
Chartered Accountants

# BLESSED TEXTILES LIMITED

## BALANCE SHEET AS AT DECEMBER 31, 2006 (UNAUDITED)

|  | Note | December 31<br>2006<br>Rupees | June 30<br>2006<br>Rupees |
|--|------|-------------------------------|---------------------------|
| <b>EQUITY AND LIABILITIES</b>  |      |                               |                           |
| <b>SHARE CAPITAL AND RESERVES</b>  |      |                               |                           |
| Authorized capital<br>6,500,000 (June 2006:6,500,000) Ordinary shares of Rs. 10/- each |      | 65,000,000                    | 65,000,000                |
| Issued, subscribed and paid up capital   | 4    | 64,320,000                    | 64,320,000                |
| General reserves   |      | 530,000,000                   | 530,000,000               |
| Unappropriated profits   |      | 78,737,185                    | 7,790,725                 |
|  |      | 673,057,185                   | 602,110,725               |
| Loan from sponsors - unsecured   | 5    | 100,000,000                   | -                         |
| <b>NON CURRENT LIABILITIES</b>   |      |                               |                           |
| Long-term financing - secured  | 6    | 603,877,165                   | 773,571,428               |
| Long-term murabaha - secured   | 7    | 63,636,365                    | 81,818,183                |
| Liabilities against assets subject to finance lease                                    | 8    | -                             | 16,531,736                |
| Deferred liabilities   |      | 25,923,497                    | 20,889,982                |
|  |      | 693,437,027                   | 892,811,329               |
| <b>CURRENT LIABILITIES</b>   |      |                               |                           |
| Trade and other payables   |      | 142,755,257                   | 107,799,859               |
| Mark-up accrued on loans   |      | 13,056,111                    | 13,008,063                |
| Short-term borrowings - secured  |      | 719,664,812                   | 542,822,800               |
| Current portion of long-term liabilities   |      | 340,269,245                   | 241,375,362               |
| Provision for taxation   |      | 57,880,176                    | 40,698,304                |
|  |      | 1,273,625,601                 | 945,704,388               |
| <b>CONTINGENCIES AND COMMITMENTS</b>   |      |                               |                           |
|  | 9    | -                             | -                         |
|  |      | 2,740,119,813                 | 2,440,626,442             |
| <b>ASSETS</b>  |      |                               |                           |
| <b>FIXED CAPITAL EXPENDITURE</b>   |      |                               |                           |
| Property, plant and equipment  | 10   | 1,637,082,571                 | 1,658,154,233             |
| Capital work in progress   |      | 190,128                       | -                         |
|  |      | 1,637,272,699                 | 1,658,154,233             |
| <b>LONG-TERM LOANS</b>   |      |                               |                           |
|  |      | 3,227,047                     | 3,783,619                 |
| <b>LONG-TERM DEPOSITS</b>  |      |                               |                           |
|  |      | 6,975,418                     | 16,083,418                |
| <b>CURRENT ASSETS</b>  |      |                               |                           |
| Stores, spares and loose tools   |      | 23,974,042                    | 23,036,869                |
| Stock in trade   |      | 689,265,837                   | 466,592,913               |
| Trade debts  |      | 171,315,103                   | 139,753,415               |
| Loans and advances   |      | 142,997,938                   | 94,619,968                |
| Trade deposits and short-term prepayments  |      | 1,642,452                     | 1,634,521                 |
| Other receivables  |      | 21,712,328                    | 22,324,049                |
| Taxation   |      | 572,880                       | 572,880                   |
| Cash and bank balances   |      | 41,164,069                    | 14,070,557                |
|  |      | 1,092,644,649                 | 762,605,172               |
|  |      | 2,740,119,813                 | 2,440,626,442             |

The annexed notes form an integral part of these financial statements.

Director

Chief Executive

# BLESSED TEXTILES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2006 (UNAUDITED)

|   | Half year ended    |                    | Quarter ended     |                    |
|---|--------------------|--------------------|-------------------|--------------------|
|   | December 31        | December 31        | December 31       | December 31        |
|   | 2006               | 2005               | 2006              | 2005               |
| Note  | .....Rupees.....   |                    | .....Rupees.....  |                    |
| Sales   | 1,242,383,894      | 1,571,984,426      | 622,255,996       | 860,768,489        |
| Cost of goods sold                            | 1,013,350,728      | 1,367,943,555      | 523,227,680       | 759,113,642        |
| <b>Gross profit</b>                           | <b>229,033,166</b> | <b>204,040,871</b> | <b>99,028,316</b> | <b>101,654,847</b> |
| Distribution cost                             | 20,753,884         | 23,216,771         | 11,602,759        | 11,088,325         |
| Administrative expenses                       | 19,167,213         | 16,538,899         | 8,966,143         | 8,333,671          |
| Other operating expenses                      | 5,264,668          | 5,356,232          | 1,999,119         | 2,537,833          |
| Finance cost                                  | 91,299,600         | 55,370,554         | 45,790,479        | 31,821,043         |
|   | 136,485,365        | 100,482,456        | 68,358,500        | 53,780,872         |
|   | 92,547,801         | 103,558,415        | 30,669,816        | 47,873,975         |
| Other income                                  | 404,531            | 314,242            | 294,088           | -                  |
| <b>Profit before taxation</b>                 | <b>92,952,332</b>  | <b>103,872,657</b> | <b>30,963,904</b> | <b>47,873,975</b>  |
| Provision for taxation                        | 17,181,872         | 21,161,972         | 8,688,845         | 11,857,316         |
| <b>Profit after taxation</b>                  | <b>75,770,460</b>  | <b>82,710,685</b>  | <b>22,275,059</b> | <b>36,016,659</b>  |
| <b>Earnings per share - basic and diluted</b> | <b>11.78</b>       | <b>12.86</b>       | <b>3.46</b>       | <b>5.60</b>        |

The annexed notes form an integral part of these financial statements.

Director

Chief Executive

# BLESSED TEXTILES LIMITED

## CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED DECEMBER 31, 2006 (UNAUDITED)

|  | Half year ended<br>December 31<br>2006<br>Rupees | Half year ended<br>December 31<br>2005<br>Rupees |
|--|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                    |  |  |
| Profit before taxation   | 92,952,332                                       | 103,872,657                                      |
| <b>Adjustment for:</b>   |  |  |
| Depreciation on property, plant and equipment                  | 84,860,000                                       | 56,870,000                                       |
| Provision for employee benefits                                | 5,178,000  | 3,150,000  |
| (Gain) on disposal of property, plant and equipment            | (404,531)  | (314,242)  |
| Finance cost   | 91,299,600                                       | 55,370,554                                       |
|  | <b>180,933,069</b>                               | <b>115,076,312</b>                               |
| Operating profit before changes in working capital             | 273,885,401                                      | 218,948,969                                      |
| Changes in working capital                                     | 14   | (247,651,340)                                    |
|  |  | (128,854,379)                                    |
| Finance cost paid  | (91,251,552)                                     | (53,197,594)                                     |
| Employee benefit cost paid                                     | (1,124,757)                                      | (1,615,295)                                      |
| Income taxes paid  | (19,411,539)                                     | (22,942,588)                                     |
| Dividend paid  | (4,771,416)                                      | (4,785,637)                                      |
|  | <b>(116,559,264)</b>                             | <b>(82,541,114)</b>                              |
| <b>Net cash (used in) / from operating activities</b>          | <b>(90,325,203)</b>                              | <b>7,553,476</b>                                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                    |  |  |
| Proceeds from disposal of property, plant and equipment        | 956,848  | 1,180,000  |
| Purchase of property plant and equipment                       | (64,530,783)                                     | (666,506,345)                                    |
| Long-term loans  | 556,572  | (1,086,455)                                      |
| Long-term deposits   | 9,108,000  | (2,544,000)                                      |
|  |  |  |
| <b>Net cash (used in) investing activities</b>                 | <b>(53,909,363)</b>                              | <b>(668,956,800)</b>                             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                    |  |  |
| Payment of long-term financing                                 | (115,000,000)                                    | (40,000,000)                                     |
| Payment of liabilities against assets subject to finance lease | (14,066,425)                                     | (13,207,497)                                     |
| Payment of long term murabaha                                  | (18,181,818)                                     | (18,181,818)                                     |
| Proceeds from long term financing                              | 41,734,309                                       | 500,000,000                                      |
| Proceeds from sponsors loan                                    | 100,000,000                                      | -  |
| Short-term borrowings - net                                    | 176,842,012                                      | 214,100,956                                      |
|  |  |  |
| <b>Net cash from financing activities</b>                      | <b>171,328,078</b>                               | <b>642,711,641</b>                               |
| <b>Net increase/(decrease) in cash and cash equivalents</b>    | <b>27,093,512</b>                                | <b>(18,691,683)</b>                              |
| <b>Cash and cash equivalents at beginning of the period</b>    | <b>14,070,557</b>                                | <b>49,175,026</b>                                |
| <b>Cash and cash equivalents at end of the period</b>          | <b>41,164,069</b>                                | <b>30,483,343</b>                                |

The annexed notes form an integral part of these financial statements.

Director

Chief Executive

# BLESSED TEXTILES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2006 (UNAUDITED)

|  | Share<br>Capital  | General<br>Reserves | Unappropriated<br>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  | -                 | -                   | 82,710,685                | 82,710,685         |
| Dividend for the year ended June 30, 2005<br>@ Rs.0.75 per share |                   |                     | (4,824,000)               | (4,824,000)        |
| <b>Balance as at December 31, 2005</b>                           | 64,320,000        | 350,000,000         | 140,682,607               | 555,002,607        |
| Profit for the period  | -                 | -                   | 47,108,118                | 47,108,118         |
| Transfer 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  | -                 | -                   | 75,770,460                | 75,770,460         |
| Dividend for the year ended June 30, 2006<br>@ Rs.0.75 per share | -                 | -                   | (4,824,000)               | (4,824,000)        |
| <b>Balance as at December 31, 2006</b>                           | <b>64,320,000</b> | <b>530,000,000</b>  | <b>78,737,185</b>         | <b>673,057,185</b> |

*The annexed notes form an integral part of these financial statements.*

**Director**

**Chief Executive**

# 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<br>2006<br>Rupees | June 30<br>2006<br>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

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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<br>2006<br>Rupees | June 30<br>2006<br>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

|                                   | December 31<br>2006<br>Rupees | June 30<br>2006<br>Rupees |
|-----------------------------------|-------------------------------|---------------------------|
| 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

|  | December 31<br>2006<br>Rupees | June 30<br>2006<br>Rupees |
|--|-------------------------------|---------------------------|
| 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<br/>2006<br/>Rupees</b> | <b>June 30<br/>2006<br/>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<br/>Rupees</b> |                  | <b>June 30, 2006<br/>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<br/>2006</b> | <b>December 31<br/>2005</b> | <b>December 31<br/>2006</b> | <b>December 31<br/>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                 |
|   | <b>Rupees</b>        |                      |
| 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