



*of Companies*

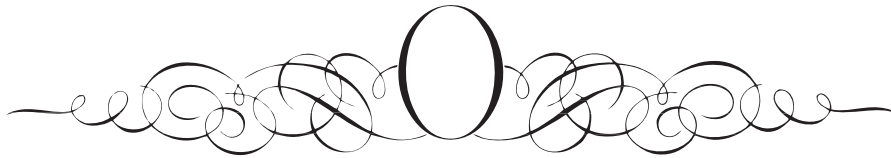
**28<sup>th</sup> Annual Report 2015**

**UMER GROUP OF COMPANIES**

**BLESSED TEXTILES LIMITED.**

*Vision*

*A Leader Company maintaining  
an excellent Level of ethical and  
Professional standards*



*Mission Statement*

*To become a top quality  
Manufacturer of textile products  
In the International  
&  
Local markets*



# BLESSED TEXTILES LIMITED

## CORPORATE INFORMATION

Board of Directors	Mr. Mohammad Amin Mr. Khurram Salim Mr. Bilal Sharif Mr. Adil Shakeel Mr. Mohammad Salim Mr. Mohammad Sharif Mr. Mohammad Shaheen Mr. Mohammad Shakeel Mr. Iqbal Mehboob	Chief Executive / Director Non Executive Director Non Executive Director Executive Director Non Executive Director / Chairman Non Executive Director Executive Director Non Executive Director Independent Director
Company Secretary	Syed Ashraf Ali, FCA	
Chief Financial Officer	Mr. Anwar Hussain, FCA	
Audit Committee	Mr. Iqbal Mehboob Mr. Khurram Salim Mr. Bilal Sharif	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Mohammad Shakeel Mr. Khurram Salim Mr. Adil Shakeel	Chairman Member Member
Auditors	M/s Rehman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants Suite # 4, Block B 90-Canal Park, Gulberg II Lahore	
Legal Advisor	Mr. Shahid Pervaiz Jami	
Bankers	Bank Al Habib Limited Dubai Islamic Bank MCB Bank Limited Meezan Bank Limited Samba Bank Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited	
Share Registrar	Hameed Majeed Associated (Private) Limited 5th Floor Karachi Chamber, Karachi	
Registered Office	Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, Pakistan Tel : 021 35115177 - 80 ; Fax: 021 -35063002-3 Email: khioff@umergroup.com Website: <a href="http://www.umergroup.com">http://www.umergroup.com</a>	
Liason / Correspondence office	9th Floor, City Towers, 6-K, Main Boulevard Gulberg - II, Lahore, Pakistan Tel : 042 111 130 130 ; Fax: 042 -35770015 Email: lhroff@umergroup.com Website: <a href="http://www.umergroup.com">http://www.umergroup.com</a>	
Mills At:	Spinning and weaving units are situated at Feroz Watwan, Sheikhpura, Punjab. Tel: 0496 731724	



# BLESSED TEXTILES LIMITED

## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of **Blessed Textiles Limited** will be held on Wednesday 28<sup>th</sup> October 2015 at 5:00 PM., at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

### Ordinary Business

1. To confirm the minutes of the Annual General Meeting held on 27<sup>th</sup> October 2014.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30<sup>th</sup> June, 2015 together with the Auditors' and Directors' Report thereon.
3. To approve the cash dividend @ 50% (i.e. PKR 5 per share) for the year ended 30<sup>th</sup> June, 2015, as recommended by the Board of Directors.
4. To appoint the auditors for the next term i.e. year 2015-2016 and fix their remuneration. The retiring auditors M/S Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, being eligible, offer themselves for reappointment.
5. To transact any other business with the permission of the chairman.

(By the order of the Board)

**Karachi:**

Date: 23<sup>rd</sup> September 2015

**Syed Ashraf Ali, FCA**  
Company Secretary

### NOTES:

1. The Shares Transfer Books of the Company will remain closed from 21<sup>st</sup> October 2015 to 28<sup>th</sup> October, 2015 (both days inclusive). Transfers received in order at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 20<sup>th</sup> October 2015 will be treated in time for the purpose of entitlement of dividend in respect of the period ended 30<sup>th</sup> June, 2015.
2. A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. No person other than a member shall act as proxy.
3. An instrument appointing a proxy and the power of attorney or other Authority (if any) under which it is signed or a notarially certified copy of such power or authority, in order to be valid, must be deposited at the registered office of the company at least 48 hours before the time of the meeting and must be duly stamped, signed and witnessed.
4. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport, Account and participant's I.D. numbers, to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose. The account/ sub account holders of CDC will further have to follow the guidelines as laid down in Circular No. 1 of 2000 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan.
5. As instructed by Securities and Exchange Commission of Pakistan (SECP) vide their letter No. EMD/D-II/Misc/2009-1342 dated April 4, 2013 dividend warrants cannot be issued without insertion of CNIC Numbers; therefore, all shareholders holding physical shares were requested to submit copies of their valid CNICs as requested by our letters and also through advertisement in newspapers. All those shareholders who have not submitted their valid CNICs are once again requested to send a photocopy of their valid CNIC/National Tax numbers alongwith the folio numbers to the Company's Share Registrar. No dividend will be payable unless the CNIC number is printed on the dividend warrants, so please let us have your CNIC numbers failing, which we will not be responsible if we are not able to pay the dividends.
6. In order to make process of payment of cash dividend more efficient, SECP vide circular No. 8(4) SM/CDC 2008 dated April 5, 2013 have issued instructions so that the shareholders can get their dividend credited in their respective bank accounts electronically without any delay. You may therefore authorize the Company to credit the dividend directly to your bank account for all future dividends declared by the Company. Accordingly all non CDC shareholders are requested to send their bank account details to the Company's Registrar at the address given above. Shareholders who hold shares with Participant/Central Depository Company of Pakistan (CDC) accounts are advised to provide the mandate to the concerned Stock Broker/ Central Depository Company of Pakistan Ltd.
7. Members are requested to immediately inform of any change in their addresses to our share Registrar, Hameed Majeed Associates (Private) Limited.
8. The financial statements of the company for the year ended 30<sup>th</sup> June 2015 has been published on the website and may be downloaded from the following link, <http://www.umergroup.com/blessed-financial-reports.html>.
9. Members eager of getting financial statements through email, are request to kindly visit the company website and fill the standard request form.



# BLESSED TEXTILES LIMITED

## Directors' Report

The Directors of your Company have pleasure in submitting their report on audited financial statements of Company for the year ended 30<sup>th</sup> June 2015.

### Financial Highlights

Financial results of the company are summarized as under;

	2015 Rupees	2014 Rupees
Sales	7,623,285,484	7,379,595,796
Gross profit	650,230,055	774,305,484
Profit before taxation	119,076,496	228,790,760
Taxation		
Current year	1,523,173	-
Prior year	-	2,181,308
Deferred	35,552,693	(6,927,008)
	37,075,866	(4,745,700)
Profit after taxation	82,000,630	233,536,460
Comprehensive income		
Re-measurement of employees retirement benefits obligation – Actuarial loss	(7,047,209)	(3,986,368)
Deferred tax	941,894	413,807
	(6,105,315)	(3,572,561)
Total comprehensive income	75,895,315	229,963,899
Un-appropriated profit brought forward	54,705,362	56,901,463
Profit available for appropriation	130,600,677	286,865,362
Appropriations:		
Dividend paid	(16,080,000)	(32,160,000)
Transferred to General Reserve	(50,000,000)	(200,000,000)
Un-appropriated profit carried forward	64,520,677	54,705,362
	=====	=====
Basic and diluted earnings per share	12.75	36.31
	=====	=====

Turnover for the year under review was PKR 7,623.185 million (2014: PKR 7,379.595 million) and gross profit was PKR 650.230 million (2014: PKR 774.305 million). The Company earned a net profit of PKR 82.0 million during the year, resulting in earnings per share of PKR 12.75 compared to a net profit of PKR 233.536 million and earnings per share of PKR 36.31 last year. Decrease in profit is mainly due to recession in textile industry particularly in spinning segment, increases in depreciation and finance cost.

### Textile Industry and Current Economic Conditions

Textile sector is considered as Pakistan's largest industry, the biggest employer and contributing 60 percent of overall export receipts.

In recent past years it was competing successfully worldwide but now it is being affected due to its competitors like Bangladesh, India, Vietnam, Thailand, and China.

The reasons behind of such situation are lack of new investment in technology, failure to upgrade machineries, high production cost, and lack of government interest.

Government should develop and implement a comprehensive textile policy on broad basis in order to compete in the world.



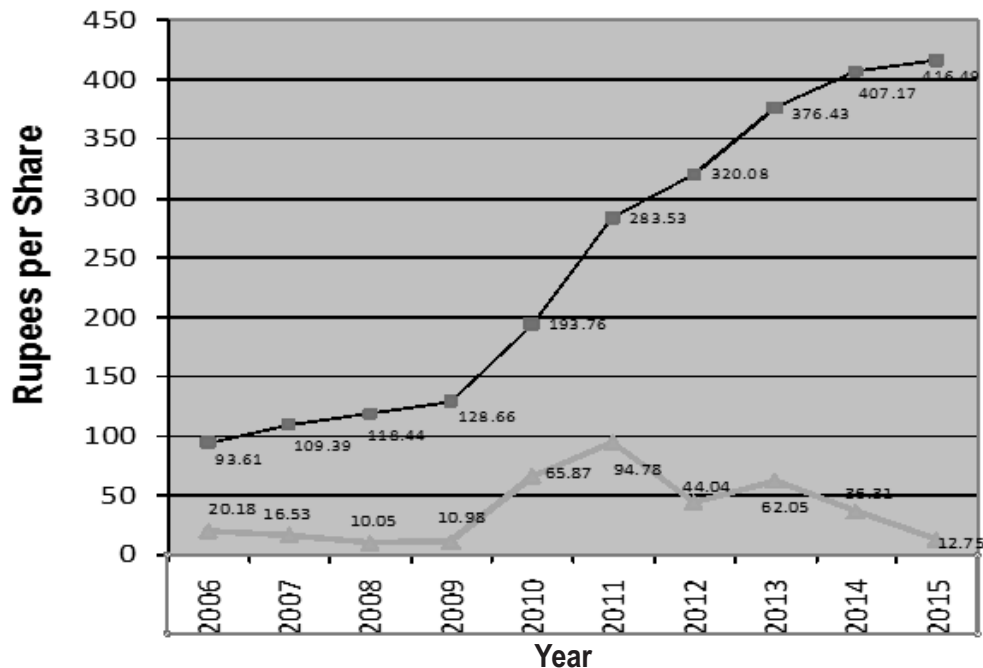
# BLESSED TEXTILES LIMITED

## Dividend

The board of directors is pleased to recommend a final cash dividend of 50% i.e. PKR 5 per share (June 2014: 25% i.e. PKR 2.5 per share) for the approval of shareholders at the forthcoming annual general meeting.

## Breakup Value and Earning per Share

The breakup value of your share as on 30<sup>th</sup> June 2015 is PKR 416.49 (30<sup>th</sup> June 2014: PKR 407.17). The Earnings per Share (EPS) of your company for the year ended 30<sup>th</sup> June 2015 is PKR 12.75 (30<sup>th</sup> June 2014: PKR 36.31).



## Capital structure

The Company's assets are financed by debt and equity in the ratio of 28:72 and our interest cover is 1.46 times. Gearing ratio is 0.64 at 30<sup>th</sup> June 2015 as compared to 0.87 at 30<sup>th</sup> June 2014. The liquidity position of the company is sound with a current ratio of 1.81 at 30<sup>th</sup> June 2015 (2014: 1.58). The total of shareholders' fund stood at PKR 2.679 billion (2014: PKR 2.619 billion).

## Cash Flow Management

During the year ended 30<sup>th</sup> June 2014 PKR 719.839 million was generated from operating activities. The company has an effective Cash Flow Management System in place whereby cash inflows and outflows are projected on regular basis. Working capital requirements are planned through internal cash generations and short term borrowings. The company is well placed for its commitments towards long and short term loans.

## Statement on Corporate and Financial Reporting Framework

The Directors of your Company are aware of their responsibilities under the Code of Corporate Governance incorporated in the Listing Rules of the Stock Exchanges in the country under instructions from the Securities & Exchange Commission of Pakistan. We are taking all the necessary steps to ensure Good Corporate Governance in your Company as required by the Code. As a part of the compliance of the Code, we confirm the following:

- These financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements except for change in accounting policy of retirement benefits as disclosed in detail in note 5 and accounting estimates are based on reasonable and prudent judgment.

- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- We have prepared and circulated a Code of Conduct and business strategy among directors and employees.
- The Board of Directors has adopted a vision and mission statement and a statement of overall corporate strategy.
- As required by the Code of Corporate Governance, we have included the following information in this report:
  - Statement of pattern of shareholding has been given separately.
  - Statement of shares held by associated undertakings and related persons.
  - Statement of the Board meetings held during the year and attendance by each director has been given separately.
  - Key operating and financial statistics for last six years.
- Information about taxes and levies is given in the notes to the financial statements.

#### **Board's Performance Evaluation**

Governance and Evaluation Committee has assessed the Board's performance based on the established mechanism of self-assessment by the individual Board members. The above mechanism was approved by the Board on the recommendation of Governance and Evaluation Committee.

#### **CEO's Performance Evaluation**

During the year, the Human Resource and Remuneration Committee of the Board evaluated the performance of the CEO in line with the established performance based evaluation system.

The evaluation was reviewed against the following criteria:

- Leadership
- Policy and strategy
- People Management
- Business Processes/Excellence
- Governance and Compliance
- Financial Performance
- Impact on Society

#### **Audit Committee**

The audit committee of the company is working as required by the code of corporate governance. The audit committee has established internal audit system to monitor and review the adequacy and implementation of internal control at each level. The meetings of audit committee were held in compliance of the requirements of Code of Corporate Governance. Interim and annual financial statements were reviewed by the audit committee before the approval of board of directors.

#### **Financial statements**

As required under listing regulations of stock exchanges the Chief Executive Officer and Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the board of directors and the board, after consideration and approval, authorize the signing of financial statements for issuance and circulation.

The financial statements of the company have been duly audited by the auditors of the company, Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants and the auditors have issued clean audit report on the financial statements for the year ended 30th June 2015 and clean review report on Statement of Code of Corporate Governance. These reports are attached with the financial statements.



# BLESSED TEXTILES LIMITED

No material changes in contingencies and commitments, affecting the financial position of your company, have occurred between the end of the financial year to which this balance sheet relates and the date of the directors' report.

## Related Party transaction and Transfer Pricing

It is the policy of the company to ensure that all transactions entered with related parties must be at arms length. The company has adopted comparable uncontrolled price method for pricing of transaction with related parties.

## Pattern of Shareholding

The pattern of shareholding and additional information regarding pattern of shareholding is attached separately. No trade in the shares of the company was carried out by Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary and their spouses and minor children during the year ended 30th June 2015.

## Auditors

The present auditors M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants shall retire on the conclusion of the 28th annual general meeting. Being eligible, they offer themselves for re-appointment as auditor of the company to hold office from the conclusion of 28th annual general meeting until the conclusion of 29th annual general meeting. The audit committee has recommended the appointment of aforesaid M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, as external auditor for the year ended 30th June 2016. The external auditors, M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants have been given satisfactory rating under the quality review program of the Institute of Chartered Accountants of Pakistan and the firm and all its partner are in compliance with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan.

## Director Education Program

Four directors have been awarded certification of Corporate Governance Leadership Skills by the Pakistan Institute of Corporate Governance. Whereas three directors are exempt from obtaining certification of Corporate Governance Leadership Skills based on their education and experience as provided in Code of Corporate Governance 2012.

## Board and Audit Committee Meetings

The number of board and audit committee meetings held during the year 2014-15 was four. The attendance of the directors and members are as under:

Board Meetings			Audit Committee Meeting		
S. No.	Director's Name	Attendance	S. No.	Member's Name	Attendance
1	Mr. Mohammad Amin	3/4	1	Mr. Iqbal Mehboob	4/4
2	Mr. Khurram Salim	4/4	2	Mr. Khurram Salim	4/4
3	Mr. Bilal Sharif	3/4	3	Mr. Bilal Sharif	4/4
4	Mr. Adil Shakeel	4/4			
5	Mr. Mohammad Salim	4/4			
6	Mr. Mohammad Sharif	4/4			
7	Mr. Mohammad Shaheen	3/4			
8	Mr. Mohammad Shakeel	3/4			
9	Mr. Iqbal Mehboob	4/4			

## Safety, Health and Environment

Health, Safety & Environment is our core value, we take pride in our practices and will ensure that we run safe operations and are not a source of environmental degradation. The health and safety of our employees, the safety of our assets and the security of our operations always remain among the top priorities of the Company. Safety is an all-encompassing priority for the Company, from the Board down to the business units. Due these controls and with the blessing of Al-Mighty Allah no major accidents or incidents took place at the business units.

Company always ensures environment preservation and adopts all the possible means for environment protection. We have been taking various steps to ensure minimal dust and emission from our plant and our production lines are installed with pollutant trapping and suppression systems to control dust particles and other emissions.





# BLESSED TEXTILES LIMITED

## Major Judgment Areas

Main areas related to income taxes, deferred tax, retirement benefit obligations and accounting estimates and judgments are detailed in notes to the financial statements.

## Accounting Standards

The accounting policies of the Company fully reflect the requirements of the Companies Ordinance 1984 and such approved International Accounting Standards and International Financial Reporting Standards as have been notified under this Ordinance as well as through directives issued by the Securities and Exchange Commission of Pakistan.

## Human Resource and Remuneration Committee:

The human resource and remuneration committee of the company is working as required by the code of corporate governance and term of reference as approved by the board of directors. The human resource and remuneration committee has established sound and effective employees' development programme. Human Resource focused on two key areas: improving productivity / efficiency in the Company and enhancing the quality of our workforce. The Company has employed experienced and qualified human resources to meet the challenges ahead. Company also plans to strengthen its team, use employee performance evaluation methods to further strengthen organization structure and effectiveness.

## Corporate Social Responsibility

Company is working positively to raise the educational, health and environmental standards of the country in general and local communities in particular, with renowned NGO chartered by Government of Pakistan. Company spent PKR 0.660 million under social commitments during the year.

## Risks, Challenges and Future Outlook

Currently the price of cotton is around PKR 4,700 per maund. As per the estimate the local production of cotton will be around 13.3 million bales whereas the estimate of cotton consumption is around 14.5 million bales. The current cotton stock to use ratio of the world is around 99% as per USDA's latest reports. Therefore, it is expected that the prices of cotton will be moderate in subsequent quarter.

We foresee a challenging period ahead to maintain profitability of the company based on prolong sluggish demand of yarn in local and international markets and increases in gas and electricity tariff. Continuous depreciation of Pakistani Rupee is also concern because it is a main cause of increase in inflation of day to day use of auxiliary products and services.

The results of the first quarter of the next fiscal year will depend on the direction of cotton prices and demand of yarn. The management expects a lower profitability in subsequent period.

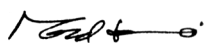
## Acknowledgement

Your directors extended their appreciation to the company's bankers, valued customers, suppliers, shareholders and government authorities for the cooperation extended by them during this period. Your directors also appreciate the efforts of the company's executives, managers, technicians and workers who have worked devotedly and achieve the targets set before them.

For and on behalf of the Board of Directors

Karachi:

Date: 23<sup>rd</sup> September 2015

  
Mohammad Salim  
Director

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of Chief Executive who for the time being is not in the country.



# BLESSED TEXTILES LIMITED

## Year wise Operating Data

### Year Ended 30<sup>th</sup> June

	2015	2014	2013	2012	2011	2010
<b>Spinning Unit</b>						
Spindle installed	59,136	55,872	47,616	47,616	47,616	47,616
Spindle worked	59,136	55,872	47,616	47,616	47,616	47,616
Installed capacity after conversion in to 20/s count (Kgs)	21,015,867	21,015,867	20,413,000	20,413,000	20,413,000	20,413,000
Actual production (Kgs)	19,934,197	18,657,200	16,220,000	18,498,000	18,832,744	18,498,000

### Weaving Unit

Air jet looms installed	136	136	136	131	131	131
Air jet looms worked	136	136	136	131	131	131
Installed capacity after conversion into 50 picks - (meters)	19,771,000	19,771,000	19,771,000	17,483,076	17,483,076	17,483,076
Actual production - (meters)	11,456,148	18,612,566	19,735,000	17,059,000	17,245,090	16,059,000

## Year wise Financial Data

### Year Ended 30<sup>th</sup> June

	2015	2014	2013	2012	2011	2010
	<b>Rupees in Thousands</b>					
<b>Profit and loss account</b>						
Turnover (Net)	7,623,285	7,379,595	5,765,769	5,447,990	6,124,843	4,054,211
Gross profit	650,230	774,305	819,115	732,112	1,160,396	801,314
Operating profit	388,789	522,102	582,917	476,657	865,809	605,346
Financial expenses	260,190	257,648	138,293	137,939	192,407	175,417
Profit before tax	119,076	228,790	444,624	338,718	673,402	429,929
Profit after tax	82,001	233,536	399,081	283,282	609,605	423,522
Cash dividend	32,160	16,080	32,160	48,240	32,160	4,824

### Balance Sheet

Share Capital	64,320	64,320	64,320	64,320	64,320	64,320
Reserves	2,550,000	2,500,000	2,300,000	1,900,000	1,600,000	1,150,000
Shareholder equity	2,678,841	2,619,025	2,421,221	2,058,766	1,823,724	1,246,279
Long term liabilities	1,063,744	1,321,203	475,706	445,840	333,929	504,014
Short term loan	380,500	682,904	627,290	271,863	19,638	110,000
Current liabilities	1,038,510	1,404,997	1,144,986	688,449	625,012	514,871
Current portion of long term loans	280,492	274,746	160,272	107,836	294,837	201,172
Fixed assets	3,052,232	3,237,433	1,994,405	1,734,165	1,539,364	1,623,295
Current assets	1,877,665	2,217,505	2,147,819	1,519,067	1,293,004	773,352

### Ratios

#### Performance

Sales growth percentage - Year to Year basis	3.30%	27.99%	5.83%	-11.05%	51.07%	24.58%
Gross profit (%)	8.53%	10.49%	14.21%	13.44%	18.95%	19.76%
Profit before tax (%)	1.56%	3.10%	7.71%	6.22%	10.99%	10.60%
Profit after tax (%)	1.08%	3.16%	6.92%	5.20%	9.95%	10.45%

#### Leverage

Gearing ratio	0.64	0.87	0.52	0.40	0.36	0.65
Debt to equity (%)	39.71%	50.45%	19.65%	21.66%	18.31%	40.44%
Interest covering ratio	1.46	1.89	4.22	3.46	4.50	3.45

#### Liquidity ratio

Current ratio	1.81	1.58	1.88	2.21	2.07	1.50
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**RAHMAN SARFARAZ RAHIM**  
**IQBAL RAFIQ**  
Chartered Accountants

72-A, Faisal Town, Lahore

T: +92 42 35160431 - 35160432  
F: +92 42 35160433

## **Review Report to the members**

*on Statement of Compliance with Best practices of Code of Corporate Governance*

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ('the Code') prepared by the Board of Directors of **Blessed Textiles Limited** for the year ended June 30, 2015 to comply with the requirements of Listing Regulation No 35 of the Karachi Stock Exchange Limited, Islamabad Stock Exchange Limited and Lahore Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

**Date: September 23, 2015**  
**Place: Lahore**

**Engagement Partner:**  
ZUBAIR IRFAN MALIK



# BLESSED TEXTILES LIMITED

## STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2015

This statement is being presented to comply with the code of corporate governance contained in listing regulation of the Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange for purpose of establishing a framework of good corporate governance, whereby a listed company is managed in compliance with best practices of corporate governance.

The company applies the principles contained in the Code in the following manner.

1. The company encourages representation of independent non executive directors and directors representing minority interest on its Board of Directors. The Board of directors of the Company has always supported implementation of the highest standards of Corporate Governance at all times. At present the includes;

Category	Name
Independent Director	Mr. Iqbal Mehboob
Executive Directors	Mr. Mohammad Amin Mr. Mohammad Shaheen Mr. Adil Shakeel
Non Executive Directors	Mr. Khurram Salim Mr. Bilal Sharif Mr. Mohammad Salim Mr. Mohammad Sharif Mr. Mohammad Shakeel

2. The directors have confirmed that none of the directors of the company are serving as a director in more than seven listed companies, including this company.
3. The Company has prepared a "Code of Conduct", and has ensured that appropriate steps have been taken to disseminate it throughout the company.
4. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
5. There was no casual vacancy occurred in board of directors during the year.
6. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment as determined by the CEO. However, there was no new appointment made during the year.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met once in every quarter. During the year four meetings of Board of Directors was held. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
8. All the directors of the company are registered as taxpayers and none of them has defaulted in payments of any loan to a banking company, a DFI or an NBFIs. No director in the board is a member of any Stock exchange in Pakistan.
9. The company arranged briefing for its directors to apprise them of their duties and responsibilities. An independent director also acquired certification by the Pakistan Institute of Corporate Governance (PICG).
10. The CEO and CFO duly endorsed the financial statements of the company before approval of the board.
11. The director's report has been prepared in compliance with the requirements of the code and fully describes the salient matters required to be disclosed.




# BLESSED TEXTILES LIMITED

## STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2015

12. The meetings of the audit committee were held once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
13. The Board has formed an audit committee. It comprises three members. The Chairman of the committee is an independent director. The remaining two members are non-executive directors.
14. The Board has formed Human Resource and Remuneration Committee. It comprises of three members, majority of them including Chairman of committee are non executive directors.
15. All the powers of the Board have been duly exercised and the Board has taken decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and other executive directors have been taken by the Board.
16. The Company has put in place a mechanism undertaking annually an evaluation of the Board's own performance and of its committees to enhance board performance.
17. The Company has complied with all the corporate and financial reporting requirements of the Code.
18. All material information as described in clause (Xiii) of the Code of Corporate Governance is disseminated to the Stock Exchange and Securities and Exchange Commission of Pakistan in time.
19. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
20. The Board has set up effective internal audit function with suitable qualified and experienced personnel, which are involved in the internal audit function on full time basis.
21. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they are not aware of any instances where shares of the company are held by any of the partners of the firm, their spouses and minor children and that the firm and all its partners are compliant with International Federation of accountants (IFAC) guidelines on Code of ethics as adopted by Institute of Chartered Accountants of Pakistan (ICAP).
22. The "Closed Period", prior to the announcement of interim and final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges.
23. All transactions with related parties have been carried out on arm's length basis. Transactions with related parties have been placed before the audit committee and board of directors' meeting for their consideration and formal approval.
24. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
25. We confirm that all other material principles contained in the code have been complied with.

**For and on behalf of the Board of Directors**

Karachi: 23<sup>rd</sup> September, 2015

  
**Mohammad Salim**  
Director



**RAHMAN SARFARAZ RAHIM  
IQBAL RAFIQ**  
Chartered Accountants

72-A, Faisal Town, Lahore

T: +92 42 35160431 - 35160432  
F: +92 42 35160433

## **Auditors' Report to the Members**

We have audited the annexed balance sheet of **BLESSED TEXTILES LIMITED** ("the Company") as at June 30, 2015 and the related profit and loss account, statement of profit or loss and other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that

a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion

- i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
- ii. the expenditure incurred during the year was for the purpose of the Company's business; and
- iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of profit or loss and other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the profit, other comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980.), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that ordinance.

**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

**Engagement Partner:**  
ZUBAIR IRFAN MALIK

**Date: September 23, 2015**  
**Place: Lahore**



# BLESSED TEXTILES LIMITED

## Balance Sheet as at June 30, 2015

	Note	2015 Rupees	2014 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 6,500,000 (2014: 6,500,000) ordinary shares of Rs. 10 each		<b>65,000,000</b>	65,000,000
Issued, subscribed and paid-up capital	6	<b>64,320,000</b>	64,320,000
General reserve	7	<b>2,550,000,000</b>	2,500,000,000
Accumulated profit		<b>64,520,677</b>	54,705,362
<b>TOTAL EQUITY</b>		<b>2,678,840,677</b>	2,619,025,362
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - Secured	8	<b>1,063,743,895</b>	1,321,202,715
Deferred liabilities	9	<b>179,777,196</b>	120,837,950
		<b>1,243,521,091</b>	1,442,040,665
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	<b>347,090,856</b>	401,350,789
Accrued interest/mark-up		<b>30,427,313</b>	45,995,403
Current portion of non-current liabilities	11	<b>280,491,820</b>	274,745,672
Short term borrowings - Secured	12	<b>380,500,000</b>	682,904,828
		<b>1,038,509,989</b>	1,404,996,692
<b>TOTAL LIABILITIES</b>		<b>2,282,031,080</b>	2,847,037,357
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,960,871,757</b>	5,466,062,719

The annexed notes 1 to 49 form an integral part of these financial statements.

Mohammad Shakeel  
Director

Karachi

Date: September 23<sup>rd</sup>, 2015

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of Chief Executive who for the time being is not in the country.




# BLESSED TEXTILES LIMITED

## Balance Sheet as at June 30, 2015

	Note	2015 Rupees	2014 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	3,052,232,508	3,237,432,974
Long term deposits - <i>Unsecured, Considered good</i>	15	14,154,095	11,125,095
		<b>3,066,386,603</b>	<b>3,248,558,069</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	16	67,452,235	82,004,420
Stock in trade	17	1,186,679,255	1,485,039,828
Trade debts	18	234,589,526	252,948,137
Advances, prepayments and other receivables	19	61,757,212	64,216,928
Sales tax refundable		61,336,417	82,566,517
Current taxation	20	208,663,773	191,477,753
Bank balances	21	57,187,026	59,251,067
		<b>1,877,665,444</b>	<b>2,217,504,650</b>
<b>NON-CURRENT ASSETS HELD FOR SALE</b>	22	<b>16,819,710</b>	-
<b>TOTAL ASSETS</b>		<b>4,960,871,757</b>	<b>5,466,062,719</b>

*The annexed notes 1 to 49 form an integral part of these financial statements.*

  
**Mohammad Salim**  
Director

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of Chief Executive who for the time being is not in the country.





# BLESSED TEXTILES LIMITED

## Profit and loss account for the year ended June 30, 2015

	Note	2015 Rupees	2014 Rupees
<b>Sales - net</b>	23	<b>7,623,285,484</b>	7,379,595,796
Cost of sales	24	<b>6,973,055,429</b>	6,605,290,312
<b>Gross profit</b>		<b>650,230,055</b>	774,305,484
Selling and distribution expenses	25	<b>163,427,705</b>	163,556,983
Administrative and general expenses	26	<b>102,519,089</b>	91,263,999
		<b>265,946,794</b>	254,820,982
Other income	27	<b>384,283,261</b> <b>4,506,264</b>	519,484,502 2,617,530
<b>Operating profit</b>		<b>388,789,525</b>	522,102,032
Finance cost	28	<b>260,190,305</b>	257,647,786
Other charges	29	<b>9,522,724</b>	35,663,486
		<b>269,713,029</b>	293,311,272
<b>Profit before taxation</b>		<b>119,076,496</b>	228,790,760
Provision for taxation			
Current taxation	30	<b>1,523,173</b>	2,181,308
Deferred taxation	31	<b>35,552,693</b>	(6,927,008)
		<b>37,075,866</b>	(4,745,700)
<b>Profit after taxation</b>		<b>82,000,630</b>	233,536,460
<b>Earnings per share - basic and diluted</b>	32	<b>12.75</b>	36.31

The annexed notes 1 to 49 form an integral part of these financial statements.

Mohammad Shakeel  
Director

Mohammad Salim  
Director

Karachi

Date: September 23<sup>rd</sup>, 2015

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of Chief Executive who for the time being is not in the country.



# BLESSED TEXTILES LIMITED

## Cash flow statement for the year ended June 30, 2015

	Note	2015 Rupees	2014 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	34	1,016,220,681	820,051,382
Payments for:			
Employees retirement benefits		(19,217,161)	(14,475,745)
Interest/markup		(258,455,008)	(204,095,790)
Income tax		(18,709,193)	(81,451,570)
<b>Net cash generated from operating activities</b>		<b>719,839,319</b>	<b>520,028,277</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(177,920,481)	(1,483,877,446)
Proceeds from disposal of property, plant and equipment		26,088,000	2,385,000
<b>Net cash used in investing activities</b>		<b>(151,832,481)</b>	<b>(1,481,492,446)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long term finances obtained		23,033,000	1,120,246,249
Repayment of long term finances		(274,745,672)	(160,276,560)
Net increase/(decrease) in short term borrowings		(302,404,828)	55,614,502
Dividend paid		(15,953,379)	(31,847,492)
<b>Net cash generated from financing activities</b>		<b>(570,070,879)</b>	<b>983,736,699</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,064,041)</b>	<b>22,272,530</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>59,251,067</b>	<b>36,978,537</b>
<b>Cash and cash equivalents at the end of the year</b>	35	<b>57,187,026</b>	<b>59,251,067</b>

The annexed notes 1 to 49 form an integral part of these financial statements.

Mohammad Shakeel  
Director

Mohammad Salim  
Director

Karachi

Date: September 23<sup>rd</sup>, 2015

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of Chief Executive who for the time being is not in the country.

## Statement of profit or loss and other comprehensive income for the year ended June 30, 2015

	Note	2015 Rupees	2014 Rupees
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit obligation	9.1.4	(7,047,209)	(3,986,368)
Taxation relating to items that may be reclassified	9.3.1	941,894	413,807
<b>Other comprehensive income</b>		<b>(6,105,315)</b>	<b>(3,572,561)</b>
<b>Profit after taxation</b>		<b>82,000,630</b>	233,536,460
<b>Total comprehensive income</b>		<b>75,895,315</b>	229,963,899

*The annexed notes 1 to 49 form an integral part of these financial statements.*



Mohammad Shakeel  
Director



Mohammad Salim  
Director

Karachi

Date: September 23<sup>rd</sup>, 2015

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of Chief Executive who for the time being is not in the country.

## Statement of changes in equity for the year ended June 30, 2015

	Issued subscribed and paid-up capital	General reserve	Accumulated profit	Total equity
	Rupees	Rupees	Rupees	Rupees
<b>Balance as at July 01, 2013</b>	64,320,000	2,300,000,000	56,901,463	2,421,221,463
<b>Comprehensive income</b>				
Profit after taxation	-	-	233,536,460	233,536,460
Other comprehensive income	-	-	(3,572,561)	(3,572,561)
<b>Total comprehensive income</b>	-	-	229,963,899	229,963,899
<b>Transaction with owners</b>				
Final dividend @ 50% i.e. Rs. 5.00 per ordinary share	-	-	(32,160,000)	(32,160,000)
Profit transferred to general reserve	-	200,000,000	(200,000,000)	-
<b>Balance as at June 30, 2014</b>	64,320,000	2,500,000,000	54,705,362	2,619,025,362
<b>Comprehensive income</b>				
Profit after taxation	-	-	82,000,630	82,000,630
Other comprehensive income	-	-	(6,105,315)	(6,105,315)
<b>Total comprehensive income</b>	-	-	75,895,315	75,895,315
<b>Transaction with owners</b>				
Final dividend @ 25% i.e. Rs. 2.50 per ordinary share	-	-	(16,080,000)	(16,080,000)
Profit transferred to general reserve	-	50,000,000	(50,000,000)	-
<b>Balance as at June 30, 2015</b>	<u>64,320,000</u>	<u>2,550,000,000</u>	<u>64,520,677</u>	<u>2,678,840,677</u>

*The annexed notes 1 to 49 form an integral part of these financial statements.*



Mohammad Shakeel  
Director



Mohammad Salim  
Director

Karachi

Date: September 23<sup>rd</sup>, 2015

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of Chief Executive who for the time being is not in the country.



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

### 1 REPORTING ENTITY

Blessed Textiles Limited ('the Company') is incorporated in Pakistan as a Public Limited Company under the Companies Ordinance, 1984 and is listed on Karachi Stock Exchange Limited, Islamabad Stock Exchange Limited and Lahore Stock Exchange Limited. The Company is primarily a spinning unit engaged in the manufacture and sale of yarn and woven fabric, however, it is also engaged in the generation of electricity for self consumption. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The manufacturing facility is located at District Sheikhpura in the Province of Punjab.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board as notified under the provisions of the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 prevail.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for employee retirement benefits liabilities measured at present value and certain financial instruments measured at fair value/amortized cost. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

#### 2.3 Judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Judgements made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

##### 2.3.1 Depreciation method, rates and useful lives of property, plant and equipment

The Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item.

##### 2.3.2 Recoverable amount and impairment

The management of the Company reviews carrying amounts of its assets for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

##### 2.3.3 Taxation

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provision for current tax. Provision for deferred tax is estimated after taking into account historical and expected future turnover and profit trends and their taxability under the current tax law.

##### 2.3.4 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

##### 2.3.5 Obligation under defined benefit plan

The Company's obligation under the defined benefit plan is based on assumptions of future outcomes, the principal ones being in respect of increases in remuneration, remaining working lives of employees and discount rates to be used to determine present value of defined benefit obligation. These assumptions are determined periodically by independent actuaries.

#### 2.4 Functional currency

These financial statements have been prepared in Pak Rupees which is the Company's functional currency.

## Notes to and forming part of financial statements for the year ended June 30, 2015

### 3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

3.1 The following new/revised standards/interpretations and amendments are effective in the current year but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company.

***Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36 – Impairment of Assets)***

The amendments reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required and introduce an explicit requirement to disclose the discount rate used in determining impairment or reversals where recoverable amount, based on fair value less costs to sell, is determined using a present value technique.

***Offsetting financial assets and financial liabilities (Amendments to IAS 32 – Financial Instruments: Presentation)***

The amendments update the application guidance in IAS 32 to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The amendment focuses on four main areas:

- the meaning of 'currently has a legally enforceable right of set-off'
- the application of simultaneous realisation and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements

***Contributions from employees or third parties (Amendments to IAS 19 – Employee Benefits)***

The amendments clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

***Novation of Derivative and Continuation of Hedge Accounting (Amendments to IAS 39 – Financial Instruments: Recognition and Measurement)***

The amendments clarify that there is no need to discontinue hedge accounting if a hedge derivative is novated provided certain criteria are met.

***Annual Improvements 2010-2012***

Annual Improvements 2010-2012 cycle makes changes to the following standards:

**IFRS 2 - Share Based Payment:** Amends the definition of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'.

**IFRS 3 - Business Combinations:** Requires contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

**IFRS 8 - Operating Segments:** Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarifies that reconciliations of segment assets only required if segment assets reported regularly.

**IFRS 13 - Fair Value Measurement:** Clarifies that the ability to measure certain short-term receivables and payables on an undiscounted basis is still available.

**IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets:** Clarifies that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

**IAS 24 - Related Party Disclosures:** Clarifies how payment to entities providing management services are to be disclosed.

***Annual Improvements 2011-2013***

Annual Improvements 2011-2013 cycle makes changes to the following standards:

**IFRS 1 - First-time Adoption of International Financial Reporting Standards:** Clarifies which versions of IFRSs can be used on initial adoption.

**IFRS 3 - Business Combinations:** Clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

## Notes to and forming part of financial statements for the year ended June 30, 2015

**IFRS 13 - Fair Value Measurement:** Clarifies the scope of portfolio exception.

**IAS 40 - Investment Property:** Clarifies the interrelationship with IFRS 3 - Business Combinations when classifying property as investment property or owner-occupied property.

**IFRIC 21 - Levies (2013)**

The interpretation provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of levy is certain.

The interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognized progressively if the obligating event occurs over a period of time.
- If an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.

- 3.2** The following new/revised standards/interpretations and amendments are effective in the current year but have been notified for adoption under section 234 of the Companies Ordinance, 1984 for annual periods beginning on or after January 01, 2015.

**IFRS 10 - Consolidated Financial Statements (2011)**

The standard replaces those parts of IAS 27 - Consolidated and Separate Financial Statements, that address when and how an investor should prepare consolidated financial statements and supersedes SIC 12 - Consolidation: Special Purpose Entities.

**IFRS 11 - Joint Arrangements (2011)**

The standard supersedes IAS 31 - Interest in Joint Ventures and SIC 13 - Jointly Controlled Entities: Non-monetary Contributions by Venturers.

**IFRS 12 - Disclosure of Interests in Other Entities (2011)**

The standard introduces disclosure requirements relating to interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

**IFRS 13 - Fair Value Measurement (2011)**

The standard establishes a single framework for measuring fair value where that is required by other standards.

**Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements and IFRS 12 – Disclosure of Interests in Other Entities)**

The amendments provide transitional relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 11 and IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

**Investment Entities (Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statement)**

The amendments provide exemption from consolidation of particular subsidiaries by certain entities defined as "Investment Entities" and require additional disclosures where such subsidiaries are excluded from consolidation pursuant to exemption.

**4 NEW AND REVISED STANDARDS/INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.**

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

	Effective date (annual periods beginning on or after)
Equity method in Separate Financial Statements (Amendments to IAS 27 - Separate Financial Statements)	January 01, 2016
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11 – Joint Arrangements)	January 01, 2016
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).	January 01, 2016
Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets)	January 01, 2016
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 - Consolidated Financial Statements, IFRS 12 - Disclosure of Interests in Other Entities, IAS 28 - Accounting for Investments in Associates and Joint Ventures)	January 01, 2016
Bearer Plants (Amendments to IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture)	January 01, 2016
Disclosure initiative (Amendments to IAS 1 - Presentation of Financial Statements)	January 01, 2016
Annual Improvements 2012-2014	July 01, 2016
IFRS 14 – Regulatory Deferral Accounts (2014)	January 01, 2017
IFRS 15 – Revenue from Contracts with Customers (2014)	January 01, 2017
IFRS 9 – Financial Instruments: Classification and Measurement (2014)	January 01, 2018
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 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 5.1 Property, plant and equipment

#### 5.1.1 Operating fixed assets

Operating fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses with the exception of freehold land, which is stated at cost less accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

Major renewals and improvements to operating fixed assets are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of operating fixed assets are recognized in profit or loss as incurred.

The Company recognizes depreciation in profit or loss by applying reducing balance method over the useful life of each operating fixed asset using rates specified in note 14.1 to the financial statements. Depreciation on additions to operating fixed assets is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

An operating fixed asset is de-recognized when permanently retired from use. Any gain or loss on disposal of operating fixed assets is recognized in profit or loss.



## Notes to and forming part of financial statements for the year ended June 30, 2015

### 5.1.2 Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the cost of material, labour and appropriate overheads directly relating to the construction, erection or installation of an item of operating fixed assets. These costs are transferred to operating fixed assets as and when related items become available for intended use.

### 5.2 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as complete sale within one year from the date of classification. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell. The amount of write-down to fair value less costs to sell, if any, is recognized in profit or loss as impairment loss.

### 5.3 Stores, spares and loose tools

These are generally held for internal use and are valued at cost. Cost is determined on the basis of weighted average except for items in transit, which are valued at invoice price plus related cost incurred up to the reporting date. For items which are considered obsolete, the carrying amount is written down to nil. Spare parts held for capitalization are classified as property, plant and equipment.

### 5.4 Stock in trade

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

Raw materials	Weighted average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Stock in transit	Invoice price plus related cost incurred up to the reporting date

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and an appropriate proportion of manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

### 5.5 Employee benefits

#### *Short-term employee benefits*

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting standards. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

#### *Post-employment benefits*

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss with the exception of rereasurements which are recognized in other comprehensive income. The amount recognized on balance sheet represents the present value of defined benefit obligation. The details of the scheme are referred to in note 9.3 to the financial statements.

### 5.6 Financial instruments

#### 5.6.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

#### 5.6.2 Classification

The Company classifies its financial instruments into following classes depending on the purpose for which the financial assets and liabilities are acquired or incurred. The Company determines the classification of its financial assets and liabilities at initial recognition.

**Notes to and forming part of financial statements  
for the year ended June 30, 2015****5.6.2(a) Loans and receivables**

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Assets in this category are presented as current assets except for maturities greater than twelve months from the reporting date, where these are presented as non-current assets.

**5.6.2(b) Financial liabilities at amortized cost**

Non-derivative financial liabilities that are not financial liabilities at fair value through profit or loss are classified as financial liabilities at amortized cost. Financial liabilities in this category are presented as current liabilities except for maturities greater than twelve months from the reporting date where these are presented as non-current liabilities.

**5.6.3 Measurement**

The particular measurement methods adopted are disclosed in the individual policy statements associated with each instrument.

**5.6.4 De-recognition**

Financial assets are de-recognized if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are de-recognized if the Company's obligations specified in the contract expire or are discharged or cancelled. Any gain or loss on de-recognition of financial assets and financial liabilities is recognized in profit or loss.

**5.6.5 Off-setting**

A financial asset and a financial liability is offset and the net amount reported in the balance sheet if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**5.7 Ordinary share capital**

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

**5.8 Loans and borrowings**

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis.

**5.9 Finance leases**

Leases in terms of which the Company assumes substantially all risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are classified as 'operating fixed assets'. On initial recognition, these are measured at cost, being an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, these are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation, subsequent expenditure, de-recognition, and gains and losses on de-recognition are accounted for in accordance with the respective policies for operating fixed assets. Liabilities against assets subject to finance lease and deposits against finance lease are classified as 'financial liabilities at amortized cost' and 'loans and receivables' respectively, however, since they fall outside the scope of measurement requirements of IAS 39 'Financial Instruments - Recognition and Measurement', these are measured in accordance with the requirements of IAS 17 'Leases'. On initial recognition, these are measured at cost, being their fair value at the date of commencement of lease, less attributable transaction costs. Subsequent to initial recognition, minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Deposits against finance leases, subsequent to initial recognition are carried at cost.

**5.10 Operating leases**

Leases that do not transfer substantially all risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in profit or loss on a straight line basis over the lease term.

## Notes to and forming part of financial statements for the year ended June 30, 2015

### 5.11 Trade and other payables

#### 5.11.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

#### 5.11.2 Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

### 5.12 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

### 5.13 Trade and other receivables

#### 5.13.1 Financial assets

These are classified as 'loans and receivables'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

#### 5.13.2 Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

### 5.14 Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of returns allowances, trade discounts and rebates, and represents amounts received or receivable for goods and services provided and other income earned in the normal course of business. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of revenue and the associated costs incurred or to be incurred can be measured reliably.

Revenue from different sources is recognized as follows:

Revenue from sale of goods is recognized when risks and rewards incidental to the ownership of goods are transferred to the buyer.

Interest income is recognized using effective interest method.

### 5.15 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards, and is presented in 'statement of profit or loss and other comprehensive income'.

### 5.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

### 5.17 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

## Notes to and forming part of financial statements for the year ended June 30, 2015

### 5.17.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

### 5.17.2 Deferred taxation

Deferred tax is accounted for using the balance sheet approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 5.18 Government grants

Government grants that compensate the Company for expenses or losses already incurred are recognized in profit or loss in the period in which these are received and are deducted in reporting the relevant expenses or losses.

### 5.19 Earnings per share ('EPS')

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

### 5.20 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at banks. These are classified as 'loans and receivables' and are carried at cost.

### 5.21 Foreign currency transactions and balances

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate prevailing at the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to functional currency at exchange rate prevailing at the date of initial recognition. Any gain or loss arising on translation of foreign currency transactions and balances is recognized in profit or loss.

### 5.22 Impairment

#### 5.21.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.



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## Notes to and forming part of financial statements for the year ended June 30, 2015

### 5.21.1 Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

### 5.23 Dividend distribution to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed/unpaid, in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

	<i>Note</i>	<b>2015</b> <i>Rupees</i>	2014 <i>Rupees</i>
<b>6 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>			
6,432,000 (2014: 6,432,000) ordinary shares of Rs. 10 each issued for cash		<b>64,320,000</b>	64,320,000
<b>7 GENERAL RESERVE</b>			
General reserve is primarily being maintained to have adequate resources for future requirements and business operations.			
<b>8 LONG TERM FINANCES - SECURED</b>			
These represent long term finances utilized under interest/mark-up arrangements from banking companies			
Term Finances ('TF')			
TF - I	8.1	-	50,000,000
TF - II	8.2	<b>8,550,000</b>	19,950,000
TF - III	8.3	-	26,544,000
TF - IV	8.4	<b>3,798,262</b>	5,697,390
TF - V	8.5	<b>106,076,496</b>	159,114,748
TF - VI	8.6	<b>952,771,804</b>	1,055,378,000
TF - VII	8.7	<b>15,256,946</b>	16,900,000
TF - VIII	8.8	<b>18,486,195</b>	18,486,195
TF - IX	8.9	<b>26,053,054</b>	26,053,054
TF - X	8.10	<b>29,987,208</b>	31,291,000
TF - XI	8.11	<b>23,033,000</b>	-
		<b>1,184,012,965</b>	1,409,414,387
Long Term Finances for Export Oriented Projects ('LTFEOP')			
LTFEOP - I	8.12	-	5,466,000
LTFEOP - II	8.13	-	4,880,000
LTFEOP - III	8.14	<b>28,516,249</b>	32,590,000
LTFEOP - IV	8.15	<b>83,240,501</b>	95,132,000
LTFEOP - V	8.16	<b>28,887,000</b>	28,887,000
LTFEOP - VI	8.17	<b>19,579,000</b>	19,579,000
		<b>160,222,750</b>	186,534,000
		<b>1,344,235,715</b>	1,595,948,387
Current maturity presented under current liabilities	11	<b>(280,491,820)</b>	(274,745,672)
		<b>1,063,743,895</b>	1,321,202,715



## Notes to and forming part of financial statements for the year ended June 30, 2015

- 8.1** The finance has been obtained from Meezan Bank Limited for balance sheet restructuring and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 1.1% per annum (2014: three months KIBOR plus 1.1% per annum), payable quarterly. The finance is repayable in seven quarterly installments with the first installment of Rs. 50 million due in January 2011 and thereafter six equal quarterly installments starting from April 2011.
- 8.2** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 2% per annum (2014: three months KIBOR plus 2% per annum), payable quarterly. The finance is repayable in twenty equal quarterly installments with the first installment due in June 2011.
- 8.3** The finance has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 1.65% per annum (2014: three months KIBOR plus 1.65% per annum), payable quarterly. The finance is repayable in sixteen equal quarterly installments with the first installment due in August 2011.
- 8.4** The finance has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 1.25% per annum (2014: three months KIBOR plus 1.25% per annum) payable quarterly. The finance is repayable in sixteen equal quarterly installments with the first installment due in September 2013.
- 8.5** The finance has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 1.25% per annum (2014: three months KIBOR plus 1.25% per annum) payable quarterly. The finance is repayable in sixteen equal quarterly installments with the first installment due in July 2013.
- 8.6** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at one month KIBOR plus 0.45% per annum (2014: one month KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in December 2014.
- 8.7** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 0.45% per annum (2014: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in seventy two equal monthly installments with the first installment due in December 2014.
- 8.8** The finance has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 0.65% per annum (2014: three months KIBOR plus 0.65% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in October 2015.
- 8.9** The finance has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 0.65% per annum (2014: three months KIBOR plus 0.65% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in October 2015.
- 8.10** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 0.45% per annum (2014: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in June 2015.
- 8.11** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 0.45% per annum, payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in September 2016.
- 8.12** The finance was obtained from MCB Bank Limited to finance capital expenditure and was secured by charge over operating fixed assets of the Company. The finance carried interest/mark-up at 10.4% per annum, payable quarterly. The finance has been fully repaid during the year.
- 8.13** The finance was obtained from MCB Bank Limited to finance capital expenditure and was secured by charge over operating fixed assets of the Company. The finance carried interest/mark-up at 10.4% per annum, payable quarterly. The finance has been fully repaid during the year.
- 8.14** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at 8.85% per annum (2014: 8.85% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in December 2014.



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## Notes to and forming part of financial statements for the year ended June 30, 2015

- 8.15** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at 8.85% per annum, payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in November 2014.
- 8.16** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at 8.85% per annum (2014: 8.85% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in July 2015.
- 8.17** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at 8.85% per annum (2014: 8.85% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in August 2015.
- 8.18** For mortgages and charges on assets as security for liabilities, refer to note 41 to the financial statements.

	<b>Note</b>	<b>2015 Rupees</b>	<b>2014 Rupees</b>
<b>9 DEFERRED LIABILITIES</b>			
These include the following:			
Employees retirement benefits	9.1	97,273,380	75,912,100
Long term payables - Secured	9.2	28,821,638	25,854,471
Deferred taxation	9.3	53,682,178	19,071,379
		<u>179,777,196</u>	<u>120,837,950</u>
<b>9.1 Employees retirement benefits</b>			
The Company operates an unfunded gratuity scheme, a defined benefit plan, for all its permanent employees who have completed one year of service. Under the scheme, the Company pays an amount equal to thirty days gross salary for each year of service. For the purpose of calculating the number of year of service, six or more months in excess of completed years of service are included as a complete year, whereas period of less than six months in excess of completed years of service are ignored.			
The amount recognized in balance sheet represents present value of defined benefit obligation.			
<b>9.1.1 Movement in present value of defined benefit obligation</b>			
As at beginning of the year		75,912,100	65,995,267
Charged to profit or loss during the year	9.1.2	33,531,232	20,406,210
Benefits paid during the year		(19,217,161)	(14,475,745)
Actuarial loss arising during the year	9.1.2	7,047,209	3,986,368
As at end of the year		<u>97,273,380</u>	<u>75,912,100</u>
<b>9.1.2 Charge to profit or loss</b>			
Current service cost		23,285,157	14,690,079
Interest cost		10,246,075	5,716,131
		<u>33,531,232</u>	<u>20,406,210</u>
<b>9.1.3 The charge to profit or loss has been allocated as follows</b>			
Cost of sales	24.2	21,881,879	15,561,911
Administrative and general expenses	26.1	11,649,653	4,844,299
		<u>33,531,232</u>	<u>20,406,210</u>
<b>9.1.4 Remeasurements recognized in other comprehensive income</b>			
Actuarial loss arising from changes in:			
Demographic assumptions		-	-
Financial assumptions		-	-
Experience adjustments		7,047,209	3,986,368
		<u>7,047,209</u>	<u>3,986,368</u>

## Notes to and forming part of financial statements for the year ended June 30, 2015

### 9.1.4 Principal actuarial assumptions

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at June 30, 2015 is based on independent actuarial valuation. The liability as at June 30, 2014 was determined by the management of the Company based on internal estimates. The principal assumptions used in determining present value of defined benefit obligation are:

	2015	2014
Discount rate	10.50%	10.00%
Expected rates of increase in salary	10.50%	10.00%
Expected average remaining working lives of employees	4 years	5 years

### 9.1.5 Sensitivity analysis

An analysis of sensitivity for discount rate and expected rate of increase in salary used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:

	2015		2014	
	Change in actuarial assumption	Defined benefit obligation Rupees	Change in actuarial assumption	Defined benefit obligation Rupees
Discount rate	+ 1%	85,927,577	+ 1%	64,172,590
	- 1%	108,897,631	- 1%	91,105,200
Expected rate of increase in salary	+ 1%	109,226,886	+ 1%	90,949,071
	- 1%	85,489,903	- 1%	64,077,738

A change in expected remaining working lives of employees is not expected to have a material impact on the present value of defined benefit obligation. Accordingly, the sensitivity analysis for the same has not been carried out.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

### 9.1.5 Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

**Interest risk:** The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on Pakistan Investment Bonds since there is no deep market in long term corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease in the defined benefit liability.

**Longevity risk:** The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of the employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.

**Salary risk:** The present value of defined benefit obligation is calculated by reference to future salaries of employees. An increase in salary of employees will increase the defined benefit obligation.

### 9.2 Long Term Payables - Secured

This represents infrastructure cess levied by Excise and Taxation Officer ('ETO') Government of Sindh on movement of imported goods entering the Sindh Province from outside Pakistan. The Company and others have filed a suit before the Sindh High Court ('SHC') challenging the levy. The Supreme Court of Pakistan through order has declared all levies and collections before December 26, 2008 to be invalid. During the pendency of decision on the levies and collections on or after December 26, 2008, SHC has directed the petitioners to pay 50% of liability for levies on or after December 26, 2008 to ETO and to arrange bank guarantees for the remaining amount in favour of ETO. The liability represents 50% of levies after December 26, 2008 against which guarantees have been arranged in favour of ETO (see note 13.1.1).





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## Notes to and forming part of financial statements for the year ended June 30, 2015

	Note	2015 Rupees	2014 Rupees
<b>9.3 Deferred taxation</b>			
Deferred tax liability on taxable temporary differences	9.3.1	135,106,094	99,935,669
Deferred tax asset on deductible temporary differences	9.3.1	(81,423,916)	(80,864,290)
		<b>53,682,178</b>	<b>19,071,379</b>

### 9.3.1 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2015			
	As at July 01 2014 Rupees	Recognized in profit or loss Rupees	Recognized in equity Rupees	As at June 30 2015 Rupees
<b>Deferred tax liabilities</b>				
Operating fixed assets	99,935,669	35,170,425	-	135,106,094
	99,935,669	35,170,425	-	135,106,094
<b>Deferred tax assets</b>				
Employees retirement benefits	(7,880,091)	(4,179,073)	(941,894)	(13,001,058)
Accumulated impairment	(3,255,271)	(892,807)	-	(4,148,078)
Unused tax losses and credits	(69,728,928)	5,454,148	-	(64,274,780)
	(80,864,290)	382,268	(941,894)	(81,423,916)
	<b>19,071,379</b>	<b>35,552,693</b>	<b>(941,894)</b>	<b>53,682,178</b>
	2014			
	Asat July 01 2013 Rupees	Recognized in profit or loss Rupees	Recognized inequity Rupees	Asat June 30 2014 Rupees
<b>Deferred tax liabilities</b>				
Operating fixed assets	33,494,366	66,441,303	-	99,935,669
	33,494,366	66,441,303	-	99,935,669
<b>Deferred tax assets</b>				
Employees retirement benefits	(4,783,417)	(2,682,867)	(413,807)	(7,880,091)
Accumulated impairment	(2,298,755)	(956,516)	-	(3,255,271)
Unused tax losses and credits	-	(69,728,928)	-	(69,728,928)
	(7,082,172)	(73,368,311)	(413,807)	(80,864,290)
	<b>26,412,194</b>	<b>(6,927,008)</b>	<b>(413,807)</b>	<b>19,071,379</b>

9.3.2 Revenue from export sales of the Company is subject to taxation under the final tax regime, while the remaining portion of revenue attracts assessment under normal provisions of the Ordinance. Deferred tax is provided for only that portion of timing differences that represent income taxable under normal provisions of the Ordinance. These differences are calculated at that proportion of total timing differences that the local sales, other than the indirect exports taxable under section 154 (3) of the Ordinance, bear to the total sales revenue based on historical and future trends. Deferred tax has been calculated at 32% (2014: 33%) of the timing differences so determined based on tax rates notified by the Government of Pakistan for future tax years.

	Note	2015 Rupees	2014 Rupees
<b>10 TRADE AND OTHER PAYABLES</b>			
Trade creditors - <i>Unsecured</i>		128,522,651	193,992,661
Accrued liabilities		189,247,484	145,899,153
Advances from customers - <i>Unsecured</i>		9,744,429	9,083,410
Workers' Profit Participation Fund	10.1	6,481,194	13,366,463
Workers' Welfare Fund	10.2	7,269,827	33,921,297
Unclaimed dividend		2,520,822	2,394,201
Other payables - <i>Unsecured</i>		3,304,449	2,693,604
		<b>347,090,856</b>	<b>401,350,789</b>



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

	<i>Note</i>	<b>2015</b> <i>Rupees</i>	<b>2014</b> <i>Rupees</i>
<b>10.1 Workers' Profit Participation Fund</b>			
As at beginning of the year		<b>13,366,463</b>	23,342,832
Interest on funds utilized by the Company	10.1.1	<b>364,665</b>	1,024,992
Charged to profit or loss for the year	29	<b>6,481,194</b>	13,366,463
Paid during the year		<b>(13,731,128)</b>	(24,367,824)
As at end of the year		<b>6,481,194</b>	13,366,463
<b>10.1.1</b> Interest is charged at 18.75% (2014: 37.50%) per annum.			
<b>10.2 Workers' Welfare Fund</b>			
As at beginning of the year		<b>33,921,297</b>	13,474,274
Charged to profit or loss for the year	29	<b>2,381,530</b>	20,447,023
Paid/adjusted during the year		<b>(29,033,000)</b>	-
As at end of the year		<b>7,269,827</b>	33,921,297
<b>11 CURRENT MATURITY OF NON-CURRENT LIABILITIES</b>			
Long term finances - Secured	8	<b>280,491,820</b>	274,745,672
		<b>280,491,820</b>	274,745,672
<b>12 SHORT TERM BORROWINGS - SECURED</b>			
These represent short term finances utilized under interest/mark-up arrangements from banking companies			
Running finances		-	187,904,828
Term loans		<b>380,500,000</b>	495,000,000
		<b>380,500,000</b>	682,904,828

**12.1** These facilities has been obtained from various banking companies for working capital requirements and are secured by charge over all present and future current assets of the Company and demand promissory notes.

Interest/mark-up on term loans is payable along with principal on maturity and that on running finances is payable quarterly. These finances carry mark-up at rates ranging from one to three months KIBOR plus 0.1% to 1.25% per annum (2014: one to three months KIBOR plus 0.1% to 2% per annum).

The aggregate available short term funded facilities amounts to Rs. 4,415 million (2014: Rs. 4,215 million) out of which Rs. 4,034 million (2014: Rs. 3,532 million) remained unavailed as at the reporting date.

**12.2** For mortgages and charges on assets as security for liabilities, refer to note 41 to the financial statements.

## **13 CONTINGENCIES AND COMMITMENTS**

### **13.1 Contingencies**

**13.1.1** Guarantees issued by banks on behalf of the Company as at the reporting date amount to Rs. 94.064 million (2014: Rs. 91.364 million), however the Company has already recognized related liability amounting to Rs. 28.8 million (2014: Rs. 25.8 million). See note 9.2.

**13.1.2** Bills discounted/negotiated as at the reporting date amount to Rs.10.050 million (2014: Rs. 1,314.934 million).

**13.1.3** The Company has issued post dated cheques collectively amounting to Rs. 79.458 million (2014: Rs. 130.060 million) in favour of Sales Tax Department in lieu of levies under various statutory notifications and these are likely to be released after fulfillment of the terms of related notifications.



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

	Note	2015 Rupees	2014 Rupees
<b>13.2 Commitments</b>			
<b>13.2.1 Commitments under irrevocable letters of credit for:</b>			
- purchase of stores, spares and loose tools		3,421,433	4,262,682
- purchase of raw material		22,876,325	98,504,963
		<b>26,297,758</b>	<b>102,767,645</b>
<b>13.2.2 Commitments for capital expenditure</b>		<b>40,169,439</b>	<b>79,505,200</b>
<b>14 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	14.1	3,025,391,060	3,046,157,844
Capital work in progress	14.2	26,841,448	191,275,130
		<b>3,052,232,508</b>	<b>3,237,432,974</b>

### 14.1 Operating fixed assets

	2015											
	COST						Rate %	DEPRECIATION			Net book value	
	As at July 01, 2014 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	Classified as held for sale Rupees	As at June 30, 2015 Rupees		As at July 01, 2014 Rupees	For the year Rupees	Adjustment Rupees	As at June 30, 2015 Rupees	as at June 30, 2015 Rupees
Freehold land	60,574,595	23,951,971	-	(16,819,710)	-	67,706,856	-	-	-	-	-	67,706,856
Buildings on freehold land												
Factory buildings	373,629,865	-	-	-	62,320,313	435,950,178	10	255,952,425	46,831,118	-	302,783,543	133,166,635
Non-factory buildings	413,957,202	-	-	-	47,507,900	461,465,102	5	28,803,546	4,350,582	-	33,154,128	428,310,974
	787,587,067	-	-	-	109,828,213	897,415,280		284,755,971	51,181,700	-	335,937,671	561,477,609
Plant and machinery	3,863,237,558	-	(87,226,773)	-	117,333,406	3,893,344,191	10	1,449,304,828	245,357,806	(64,222,991)	1,630,439,643	2,262,904,548
Equipment and other assets	91,558,691	1,125,000	-	-	-	92,683,691	25-35	87,136,074	6,919,294	-	94,055,368	(1,371,677)
Electric installations	30,580,695	-	-	-	88,017,643	118,598,338	10	17,308,607	9,158,652	-	26,467,259	92,131,079
Office equipment - head office	4,919,754	-	-	-	-	4,919,754	10	3,712,423	120,734	-	3,833,157	1,086,597
Office equipment - factory	2,773,815	-	-	-	-	2,773,815	10	1,400,922	401,491	-	1,802,413	971,402
Furniture and fixtures - head office	199,098	-	-	-	-	199,098	10	150,777	4,832	-	155,609	43,489
Furniture and fixtures - factory	6,971,397	-	-	-	-	6,971,397	10	4,633,489	233,790	-	4,867,279	2,104,118
Vehicles	72,834,736	2,097,930	(2,596,710)	-	-	72,335,956	20	26,676,471	9,347,374	(2,024,928)	33,998,917	38,337,039
	<b>4,921,237,406</b>	<b>27,174,901</b>	<b>(89,823,483)</b>	<b>(16,819,710)</b>	<b>315,179,262</b>	<b>5,156,948,376</b>		<b>1,875,079,562</b>	<b>322,725,673</b>	<b>(66,247,919)</b>	<b>2,131,557,316</b>	<b>3,025,391,060</b>
	2014											
	COST						Rate %	DEPRECIATION			Net book value	
	As at July 01, 2013 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	Classified as held for sale Rupees	As at June 30, 2014 Rupees		As at July 01, 2013 Rupees	For the year Rupees	Adjustment Rupees	As at June 30, 2014 Rupees	as at June 30, 2014 Rupees
Freehold land	60,574,595	-	-	-	-	60,574,595	-	-	-	-	-	60,574,595
Buildings on freehold land												
Factory buildings	373,629,865	-	-	-	-	373,629,865	10	229,766,889	26,185,536	-	255,952,425	117,677,440
Non-factory buildings	76,225,276	-	-	-	337,731,926	413,957,202	5	26,307,666	2,495,880	-	28,803,546	385,153,656
	449,855,141	-	-	-	337,731,926	787,587,067		256,074,555	28,681,416	-	284,755,971	502,831,096
Plant and machinery	2,527,853,077	-	(13,030,920)	-	1,348,415,401	3,863,237,558	10	1,276,494,196	184,409,698	(11,599,066)	1,449,304,828	2,413,932,730
Equipment and other assets	86,789,738	-	-	-	4,768,953	91,558,691	25-35	68,267,635	18,868,439	-	87,136,074	4,422,617
Electric installations	26,816,448	3,764,247	-	-	-	30,580,695	10	16,129,761	1,178,846	-	17,308,607	13,272,088
Office equipment - head office	4,919,754	-	-	-	-	4,919,754	10	3,578,275	134,148	-	3,712,423	1,207,331
Office equipment - factory	2,773,815	-	-	-	-	2,773,815	10	1,248,379	152,543	-	1,400,922	1,372,893
Furniture and fixtures - head office	199,098	-	-	-	-	199,098	10	145,408	5,369	-	150,777	48,321
Furniture and fixtures - factory	6,971,397	-	-	-	-	6,971,397	10	4,373,722	259,767	-	4,633,489	2,337,908
Vehicles	42,217,767	31,843,382	(1,226,413)	-	-	72,834,736	20	22,175,669	5,537,393	(1,036,591)	26,676,471	46,158,265
	<b>3,208,970,830</b>	<b>35,607,629</b>	<b>(14,257,333)</b>	<b>-</b>	<b>1,690,916,280</b>	<b>4,921,237,406</b>		<b>1,648,487,600</b>	<b>239,227,619</b>	<b>(12,635,657)</b>	<b>1,875,079,562</b>	<b>3,046,157,844</b>

## Notes to and forming part of financial statements for the year ended June 30, 2015

### 14.1.1 Disposal of property, plant and equipment

	2015					Mode of disposal	Particulars of buyer
	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain on disposal Rupees		
<b>Plant and machinery</b>							
Ring Frames China FA 506	9,467,082	8,428,866	1,038,216	1,500,000	461,784	Negotiation	M/s Quetta Textile Mills Limited
Ring Frames China FA 506	14,200,623	12,656,277	1,544,346	2,250,000	705,654	Negotiation	M/s Khalid Saeed Ghani
Ring Frames China FA 506	7,889,235	7,031,265	857,970	1,250,000	392,030	Negotiation	M/s Quetta Textile Mills Limited
Ring Frames China FA 507	6,311,388	5,630,780	680,608	1,000,000	319,392	Negotiation	M/s Quetta Textile Mills Limited
Autocones	17,268,936	15,344,690	1,924,246	2,328,000	403,754	Negotiation	M/s Textech Indo India (Pvt.) Ltd.
Generator	32,089,509	15,131,113	16,958,396	17,000,000	41,604	Marketvalue	M/s Bhanero Energy Limited
	<u>87,226,773</u>	<u>64,222,991</u>	<u>23,003,782</u>	<u>25,328,000</u>	<u>2,324,218</u>		
<b>Vehicles</b>							
Toyota Corrola - LZS 717	1,241,880	1,124,091	117,789	200,000	82,211	Negotiation	Asif Khan, Lahore
Suzuki Alto - LED-09-3229	660,620	472,710	187,910	260,000	72,090	Negotiation	Rehan Akhtar, Lahore
Suzuki Alto - LED-11-2508	694,210	428,127	266,083	300,000	33,917	Negotiation	Athar Ahmed Khan, Lahore
	<u>2,596,710</u>	<u>2,024,928</u>	<u>571,782</u>	<u>760,000</u>	<u>188,218</u>		
	<u>89,823,483</u>	<u>66,247,919</u>	<u>23,575,564</u>	<u>26,088,000</u>	<u>2,512,436</u>		
<b>2014</b>							
	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain on disposal Rupees	Mode of disposal	Particulars of buyer
<b>Plant and machinery</b>							
Blowroom machinery and cards	6,311,388	5,612,834	698,554	1,000,000	301,446	Negotiation	Shahbaz Ali, Lahore
Cards	-	-	-	1,000,000	1,000,000	Marketvalue	Bhanero Textile Mills Limited
Lea Tester	408,144	373,397	34,747	35,000	253	Negotiation	Ghani & Co.
	<u>6,719,532</u>	<u>5,986,231</u>	<u>733,301</u>	<u>2,035,000</u>	<u>1,301,699</u>		
<b>Vehicles</b>							
Suzuki Cultus - LGX 1089	784,780	714,348	70,432	200,000	129,568	Negotiation	Jawasd Ahmed, Charsada
Suzuki Mehran - LXJ 9622	441,633	322,243	119,390	150,000	30,610	Negotiation	Mumtaz Ali, Borewala
	<u>1,226,413</u>	<u>1,036,591</u>	<u>189,822</u>	<u>350,000</u>	<u>160,178</u>		
	<u>7,945,945</u>	<u>7,022,822</u>	<u>923,123</u>	<u>2,385,000</u>	<u>1,461,877</u>		

14.1.2 Transfers represent transfers from capital work in progress on related assets becoming available for use and those from assets subject to finance lease on transfer of title to the Company at the end of lease term.

	Note	2015 Rupees	2014 Rupees
<b>14.1.3 The depreciation charge for the year has been allocated as follows:</b>			
Cost of sales	24	312,617,452	233,138,399
Administrative and selling expenses	26	10,108,221	6,089,220
		<u>322,725,673</u>	<u>239,227,619</u>

### 14.2 Capital work in progress

	2015			
	As at July 01, 2014 Rupees	Additions Rupees	Transfers Rupees	As at June 30, 2015 Rupees
Buildings on freehold land	81,664,045	29,291,720	(109,828,213)	1,127,552
Plant and machinery	79,580,644	63,466,658	(117,333,406)	25,713,896
Equipment and other assets	30,030,441	57,987,202	(88,017,643)	-
	<u>191,275,130</u>	<u>150,745,580</u>	<u>(315,179,262)</u>	<u>26,841,448</u>



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

	2014			As at June 30, 2014 Rupees
	As at July 01, 2013 Rupees	Additions Rupees	Transfers Rupees	
Buildings on freehold land	155,247,536	264,148,435	(337,731,926)	81,664,045
Plant and machinery	260,686,243	1,169,497,883	(1,350,603,482)	79,580,644
Equipment and other assets	17,987,814	12,042,627	-	30,030,441
	<u>433,921,593</u>	<u>1,445,688,945</u>	<u>(1,688,335,408)</u>	<u>191,275,130</u>

### 15 LONG TERM DEPOSITS

These have been deposited with various utility companies and regulatory authorities. These are classified as 'loans and receivables' under IAS 39 'Financial Instruments - Recognition and Measurement' which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

	Note	2015 Rupees	2014 Rupees
<b>16 STORES, SPARES AND LOOSE TOOLS</b>			
Stores, spares and loose tools		<u>67,452,235</u>	<u>82,004,420</u>

16.1 It is impracticable to distinguish stores, spares and loose tools, each from the other.

16.2 There are no spare parts exclusively held for capitalization as at the reporting date.

### 17 STOCK IN TRADE

Raw material		<b>861,164,939</b>	989,066,654
Work in process		<b>85,254,654</b>	100,531,563
Finished goods	17.1	<b>240,259,662</b>	395,441,611
		<u><b>1,186,679,255</b></u>	<u>1,485,039,828</u>

17.1 As at June 30, 2014, net realizable values of raw material and finished goods were lower than their cost, which resulted in write-downs of Rs. 171,558,459 and Rs. 18,273,244 and were charged to cost of sales. There were no write downs as at June 30, 2015.

17.2 Stock of finished goods include stock of waste valued at Rs. 453,613 (2014: Rs.770,698). The entire stock of waste is valued at net realizable value.

### 18 TRADE DEBTS

Local - <i>unsecured</i>			
considered good		<b>153,053,404</b>	144,637,100
considered doubtful		<b>31,309,752</b>	31,259,752
		<b>184,363,156</b>	175,896,852
Foreign - <i>secured</i>	18.1	<b>81,262,122</b>	108,311,037
		<b>265,625,278</b>	284,207,889
Accumulated impairment	18.2	<b>(31,035,752)</b>	(31,259,752)
		<u><b>234,589,526</b></u>	<u>252,948,137</u>

18.1 These are secured through letters of credit

18.2 Movement in accumulated impairment is as follows:

As at beginning of the year		<b>31,259,752</b>	31,259,752
Recognized during the year	26	-	-
Reversed during the year on recovery		<b>(224,000)</b>	-
As at end of the year		<u><b>31,035,752</b></u>	<u>31,259,752</u>



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

	Note	2015 Rupees	2014 Rupees
<b>19 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Advances to suppliers - <i>unsecured, considered good</i>		19,634,697	26,767,741
Advances to employees - <i>unsecured, considered good</i>		6,988,339	4,214,696
Prepayments		471,138	621,078
Security deposits	19.1	29,292,877	27,539,555
Letters of credit		2,812,293	3,426,936
Other receivables - <i>unsecured, considered good</i>	19.2	2,557,868	1,646,922
		<b>61,757,212</b>	<b>64,216,928</b>

19.1 These include Rs. 28,617,877 (2014: Rs. 25,917,877) deposited with a banking company against bank guarantees and carry a return at rates ranging from 5.50% to 8% (2014: 7% to 8%) per annum.

### 19.2 Particulars of other receivables

Considered good		2,557,868	1,646,922
Considered doubtful		99,583	99,583
		2,657,451	1,746,505
Accumulated impairment	19.2.1	(99,583)	(99,583)
		<b>2,557,868</b>	<b>1,646,922</b>

19.2.1 Movement in accumulated impairment is as follows:

As at beginning of the year		99,583	99,583
Recognized during the year		-	-
As at end of the year		<b>99,583</b>	<b>99,583</b>

### 20 CURRENT TAXATION

Advance income tax/income tax refundable		210,186,946	191,477,753
Provision for taxation	30	(1,523,173)	-
		<b>208,663,773</b>	<b>191,477,753</b>

### 21 BANK BALANCES

Cash at banks			
local currency		53,632,999	55,071,993
foreign currency		3,554,027	4,179,074
		<b>57,187,026</b>	<b>59,251,067</b>

### 22 NON-CURRENT ASSETS HELD FOR SALE

This represents freehold land, the Company intends to dispose within twelve months of the balance sheet date. Search for a buyer is underway. The management of the Company expects that the fair value less costs to sell of the land approximates its carrying amount as at the reporting date.

### 23 SALES - NET

	2015		
	Local Rupees	Export Rupees	Total Rupees
Yarn	2,257,196,368	2,962,745,907	5,219,942,275
Fabric	1,381,380,743	788,673,036	2,170,053,779
Cotton	236,072,614	-	236,072,614
Waste and other	83,929,379	-	83,929,379
	3,958,579,104	3,751,418,943	7,709,998,047
Duty drawback on export	-	294,433	294,433
Trade discount	-	-	-
Sales tax	(87,006,996)	-	(87,006,996)
	<b>3,871,572,108</b>	<b>3,751,713,376</b>	<b>7,623,285,484</b>



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

	2014		
	Local Rupees	Export Rupees	Total Rupees
Yarn	2,194,864,514	2,639,850,893	4,834,715,407
Fabric	1,081,008,055	1,149,361,903	2,230,369,958
Cotton	334,201,099	-	334,201,099
Waste and other	53,850,786	-	53,850,786
	3,663,924,454	3,789,212,796	7,453,137,250
Duty drawback on export	-	453,611	453,611
Trade discount	(23,959)	-	(23,959)
Sales tax	(73,971,106)	-	(73,971,106)
	<u>3,589,929,389</u>	<u>3,789,666,407</u>	<u>7,379,595,796</u>
	<b>Note</b>	<b>2015 Rupees</b>	<b>2014 Rupees</b>
<b>24 COST OF SALES</b>			
Raw material consumed	24.1	<b>4,621,680,766</b>	4,836,086,495
Stores, spares and loose tools consumed		<b>223,192,639</b>	209,583,107
Salaries, wages and benefits	24.2	<b>432,116,573</b>	360,591,602
Fee and subscription		<b>12,000</b>	92,645
Fuel and power		<b>920,607,463</b>	825,405,089
Insurance		<b>19,413,584</b>	16,242,348
Vehicle running and maintenance		<b>6,319,016</b>	9,150,073
Rent, rates and taxes		<b>237,639</b>	387,725
Repair and maintenance		<b>8,900,298</b>	16,997,664
Communication		<b>532,840</b>	695,270
Traveling, conveyance and entertainment		<b>999,483</b>	914,453
Depreciation	14.1.3	<b>312,617,452</b>	233,138,399
Others		<b>3,435,599</b>	2,469,374
		<u><b>6,550,065,352</b></u>	6,511,754,244
Manufacturing cost			
Work in process			
As at beginning of the year		<b>100,531,563</b>	70,427,679
Loss of work in process		-	(1,463,785)
As at end of the year		<b>(85,254,654)</b>	(100,531,563)
		<u><b>15,276,909</b></u>	(31,567,669)
Cost of goods manufactured		<u><b>6,565,342,261</b></u>	6,480,186,575
Cost of cotton sold	24.3	<b>228,436,791</b>	332,102,718
Finished goods			
As at beginning of the year		<b>395,441,611</b>	182,739,275
Purchased during the year		<b>24,094,428</b>	5,703,355
As at end of the year		<b>(240,259,662)</b>	(395,441,611)
		<u><b>179,276,377</b></u>	(206,998,981)
		<u><b>6,973,055,429</b></u>	6,605,290,312
<b>24.1 Raw material consumed</b>			
As at beginning of the year		<b>989,066,654</b>	1,317,094,984
Purchased during the year		<b>4,720,913,360</b>	4,815,872,830
Sold during the year		<b>(227,134,309)</b>	(307,814,665)
As at end of the year		<b>(861,164,939)</b>	(989,066,654)
		<u><b>4,621,680,766</b></u>	4,836,086,495



## Notes to and forming part of financial statements for the year ended June 30, 2015

24.2 These include charge in respect of employees retirement benefits amounting to Rs. 21,881,579 (2014: Rs. 15,561,911).

	<i>Note</i>	<b>2015</b> <i>Rupees</i>	2014 <i>Rupees</i>
<b>24.3 Cost of cotton sold</b>			
Cost of purchase		<b>220,872,972</b>	304,838,446
Salaries, wages and benefits		<b>620,000</b>	882,000
Loading and unloading		<b>24,017</b>	27,623
Insurance		<b>2,049,258</b>	5,064,289
Commission		<b>975,822</b>	1,414,110
Finance cost		<b>3,894,722</b>	19,876,250
		<b>228,436,791</b>	332,102,718
<b>25 SELLING AND DISTRIBUTION EXPENSES</b>			
<b>Export</b>			
Ocean freight and forwarding		<b>81,440,452</b>	83,075,033
Export development surcharge		<b>7,989,468</b>	6,918,680
Export sales promotion		<b>1,093,154</b>	2,891,086
Commission		<b>48,294,612</b>	47,437,308
Others		<b>2,427,041</b>	675,956
		<b>141,244,727</b>	140,998,063
<b>Local</b>			
Inland transportation		<b>1,491,321</b>	2,286,276
Salaries, wages and benefits		<b>115,092</b>	270,305
Commission		<b>19,710,263</b>	18,630,963
Others		<b>866,302</b>	1,371,376
		<b>22,182,978</b>	22,558,920
		<b>163,427,705</b>	163,556,983
<b>26 ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Directors' remuneration		<b>14,400,000</b>	12,400,000
Salaries and benefits	26.1	<b>52,463,726</b>	46,837,273
Traveling, conveyance and entertainment		<b>2,507,231</b>	1,223,694
Printing and stationery		<b>1,085,741</b>	1,820,991
Communication		<b>1,433,578</b>	1,285,448
Vehicles running and maintenance		<b>5,689,709</b>	5,671,213
Legal and professional charges		<b>508,125</b>	1,422,930
Auditors' remuneration	26.2	<b>1,385,000</b>	1,285,000
Fee and subscription		<b>1,682,994</b>	2,653,697
Repair and maintenance		<b>441,760</b>	142,835
Depreciation	14.1.3	<b>10,108,221</b>	6,089,220
Rent, rates and utilities		<b>10,000,637</b>	9,907,601
Oracle license and support fee		<b>294,141</b>	64,990
Others		<b>518,226</b>	459,107
		<b>102,519,089</b>	91,263,999

26.1 These include charge in respect of employees retirement benefits amounting to Rs. 11,649,653 (2014: Rs. 4,844,299).





# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

	Note	2015 Rupees	2014 Rupees
<b>26.2 Auditor's remuneration</b>			
Annual statutory audit		1,200,000	1,100,000
Half yearly review		125,000	125,000
Review report under Code of Corporate Governance		50,000	50,000
Out of pocket expenses		10,000	10,000
		<b>1,385,000</b>	<b>1,285,000</b>
<b>27 OTHER INCOME</b>			
<b>Gain on financial instruments</b>			
Reversal of impairment on trade debts on recovery	18.2	224,000	-
Return on bank deposits		1,769,828	1,854,206
		<b>1,993,828</b>	<b>1,854,206</b>
<b>Other income</b>			
Gain on disposal of property, plant and equipment	14.1.1	2,512,436	763,324
		<b>4,506,264</b>	<b>2,617,530</b>
<b>28 FINANCE COST</b>			
Interest / mark-up on borrowings:			
long term finances		147,198,891	105,882,374
short term borrowings		95,688,027	132,185,328
		<b>242,886,918</b>	<b>238,067,702</b>
Interest on workers' profit participation fund	10.1	364,665	1,024,992
Bank charges and commission	28.2	16,938,722	18,555,092
		<b>260,190,305</b>	<b>257,647,786</b>
<b>28.1</b> Interest/mark-up on borrowings includes interest/mark-up rate subsidy amounting to Rs. 207,944 (2014: Rs. 649,543) recognized as government grant. See note 33.			
<b>28.2</b> These include letters of credit discounting charges amounting to Rs. 13,967,541 (2014: Rs. 16,369,870).			
<b>29 OTHER CHARGES</b>			
Workers' Profit Participation Fund	10.1	6,481,194	13,366,463
Workers' Welfare Fund	10.1	2,381,530	20,447,023
Donations	29.1	660,000	1,850,000
		<b>9,522,724</b>	<b>35,663,486</b>
<b>29.1</b> None of the directors or their spouses had any interest in donations made by the Company.			
<b>30 CURRENT TAXATION</b>			
Current year	30.1	1,523,173	-
Prior year		-	2,181,308
		<b>1,523,173</b>	<b>2,181,308</b>

**30.1** Provision for current tax has been made in accordance with section 18 and section 154 of the Income Tax Ordinance, 2001 ('the Ordinance'). Provision of income tax amounting to Rs. 77,370,470 (2014: Rs. 79,208,264) has been reduced on account of tax credit under Section 65 B of the Ordinance.



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

	Unit	2015 Rupees	2014 Rupees
<b>30.2 Reconciliation between average effective tax rate and applicable tax rate</b>			
Profit before taxation	<i>Rupees</i>	<b>119,076,496</b>	228,790,760
Provision for taxation	<i>Rupees</i>	<b>37,075,866</b>	(4,745,700)
Average effective tax rate	%	<b>31.14</b>	(2.07)
Tax effects of:			
Adjustments for prior years	%	-	(0.95)
Income chargeable to tax at different rates	%	<b>(31.98)</b>	4.78
Deferred taxation	%	<b>(29.86)</b>	(2.51)
Tax credit	%	<b>63.70</b>	34.75
Applicable tax rate	%	<b>33.00</b>	34.00

**30.3** Assessments upto assessment year 2002-2003 have been finalized under the relevant provisions of the Repealed Income Tax Ordinance, 1979.

**30.4** Assessments upto tax year 2014 have been finalized under relevant provisions of Income Tax Ordinance, 2001.

**30.5** The Government of Pakistan vide Finance Act 2014 notified a reduced tax rate of 33% for tax year 2015 as compared 34% applicable to previous year for Companies.

	2015 Rupees	2014 Rupees
<b>31 DEFERRED TAXATION</b>		
Attributable to origination and reversal of temporary differences	<b>37,230,260</b>	(5,417,740)
Attributable to changes in tax rates	<b>(1,677,567)</b>	(1,509,268)
	<b>35,552,693</b>	(6,927,008)

	Unit	2015	2014
<b>32 EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Profit attributable to ordinary shareholders	<i>Rupees</i>	<b>82,000,630</b>	233,536,460
Weighted average number of ordinary shares outstanding during the year	<i>No. of shares</i>	<b>6,432,000</b>	6,432,000
Earnings per share	<i>Rupees</i>	<b>12.75</b>	36.31

There is no diluting effect on the basic earnings per share of the Company.

### 33 GOVERNMENT GRANTS

During the year, the Company recognized 207,944 (2014: Rs. 649,543) as mark-up rate subsidy which has been accounted for as government grant in accordance with IAS 20 'Government Grants'. The amount has been deducted in reporting interest/mark-up expenses on relevant borrowings.

	2015 Rupees	2014 Rupees
<b>34 CASH GENERATED FROM OPERATIONS</b>		
<b>Profit before taxation</b>	<b>119,076,496</b>	228,790,760
<b>Adjustments for non-cash and other items</b>		
Interest / markup on borrowings	<b>242,886,918</b>	238,067,702
Gain on disposal of property, plant and equipment	<b>(2,512,436)</b>	(763,324)
Provision for employees retirement benefits	<b>33,531,232</b>	20,406,210
Depreciation	<b>322,725,673</b>	239,227,619
	<b>596,631,387</b>	496,938,207
	<b>715,707,883</b>	725,728,967



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

	Note	2015 Rupees	2014 Rupees
<b>Changes in working capital</b>			
Stores, spares and loose tools		14,552,185	899,246
Stock in trade		298,360,573	85,222,110
Trade debts		18,358,611	(63,298,229)
Advances, prepayments and other receivables		2,459,716	1,201,122
Sales tax refundable		21,230,100	7,832,826
Long term deposits		(3,029,000)	(3,827,110)
Trade and other payables		(54,386,554)	55,638,196
Long term payables		2,967,167	10,654,254
		<b>300,512,798</b>	<b>94,322,415</b>
<b>Cash generated from operations</b>		<b>1,016,220,681</b>	<b>820,051,382</b>
<b>35 CASH AND CASH EQUIVALENTS</b>			
Bank balances	21	57,187,026	59,251,067
		<b>57,187,026</b>	<b>59,251,067</b>

## 36 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, directly or indirectly, and includes the Chief Executive and Directors of the Company.

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 arm's length transaction.

There are no balances with related parties as at the reporting date. Details of transactions with related parties is as follows:

### 36.1 Transactions with related parties

Nature of relationship	Nature of transactions	2015 Rupees	2014 Rupees
Associated companies	Sale of yarn	851,103,734	704,923,049
	Sale of fabric	9,349,181	552,497
	Sale of cotton	65,787,172	4,935,086
	Sale of machinery	17,000,000	1,000,000
	Sale of store and spares	7,100,264	-
	Purchase of cotton	22,592,032	21,259,308
	Purchase of yarn	295,131,578	300,016,491
	Purchase of fabric	-	544,499
	Purchase of electricity	326,613,266	313,695,897
	Services received	300,000	300,000
	Dividend paid	2,972,900	5,945,800
	Key management personnel	Short term employee benefits	14,400,000
Post employment benefits		-	-

## Notes to and forming part of financial statements for the year ended June 30, 2015

### 37 FINANCIAL INSTRUMENTS

37.1 Financial instruments by class and category		2015		2014	
		Loans and receivables Rupees	Financial liabilities at amortized cost Rupees	Loans and receivables Rupees	Financial liabilities at amortized cost Rupees
<b>Financial assets</b>					
Long term deposits	15	14,154,095	-	11,125,095	-
Trade debts	18	234,589,526	-	252,948,137	-
Security deposits	19	29,292,877	-	27,539,555	-
Bank balances	21	57,187,026	-	59,251,067	-
		<b>335,223,524</b>	<b>-</b>	<b>350,863,854</b>	<b>-</b>
<b>Financial liabilities</b>					
Long term finances	8	-	1,344,235,715	-	1,595,948,387
Short term borrowings	12	-	380,500,000	-	682,904,828
Accrued interest/mark-up		-	30,427,313	-	45,995,403
Trade creditors	10	-	128,522,651	-	193,992,661
Accrued liabilities	10	-	189,247,484	-	145,899,153
		<b>-</b>	<b>2,072,933,163</b>	<b>-</b>	<b>2,664,740,432</b>
		<b>335,223,524</b>	<b>2,072,933,163</b>	<b>350,863,854</b>	<b>2,664,740,432</b>

### 37.2 Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged or liability be settled between knowledgeable willing parties in an arm's length transaction. As at the reporting date, fair values of all financial instruments are considered to approximate their carrying amounts. Further there are no fair value estimation uncertainties.

#### 37.2.1 Methods of determining fair values

Fair values of financial instruments for which prices are available from the active market are measured by reference to those market prices. Fair values of financial assets and liabilities with no active market are determined in accordance with generally accepted pricing models based on discounted cash flow analysis based on inputs from other than observable market.

#### 37.2.2 Discount/interest rates used for determining fair values

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve as at the reporting date plus an adequate credit spread.

### 38 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

#### 38.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

	Note	2014 Rupees	2013 Rupees
<b>38.1.1 Maximum exposure to credit risk</b>			
The maximum exposure to credit risk as at the reporting date is as follows:			
<b>Loans and receivables</b>			
Long term deposits	15	14,154,095	11,125,095
Trade debts	18	234,589,526	252,948,137
Security deposits	19	29,292,877	27,539,555
Bank balances	21	57,187,026	59,251,067
		<b>335,223,524</b>	<b>350,863,854</b>

### 38.1.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

Customers	234,589,526	252,948,137
Utility companies and regulatory authorities	14,829,095	12,746,773
Banking companies and financial institutions	85,804,903	85,168,944
	<b>335,223,524</b>	<b>350,863,854</b>

### 38.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

#### 38.1.3(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to cash deposits and security deposits. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company.

#### 38.1.3(b) Counterparties without external credit ratings

These include customers which are counter parties to trade debts and utility companies and regulatory authorities which are counter parties to long term deposits. Credit risk in respect of long term deposits is considered to be insignificant as non-performance by these parties is not expected. The Company is exposed to credit risk in respect of trade debts. The analysis of ages of trade debts as at the reporting date is as follows:

	2015		2014	
	Gross carrying amount Rupees	Accumulated Impairment Rupees	Gross carrying amount Rupees	Accumulated Impairment Rupees
Neither past due nor impaired	232,047,835	-	250,406,446	-
Past due by 0 to 6 months	-	-	-	-
Past due by 6 months to 1 year	-	-	-	-
Past due by more than 1 year	33,577,443	31,035,752	33,801,443	31,259,752
	<b>265,625,278</b>	<b>31,035,752</b>	<b>284,207,889</b>	<b>31,259,752</b>

The Company's one (2014: two) significant customer accounts for Rs. 96.89 million (2014: Rs. 35.176 million) of trade debts as at the reporting date, apart from which, exposure to any single customer does not exceed 10% (2014: 5%) of trade debts. These significant customers have long standing business relationships with the Company and have a good payment record and accordingly non-performance by these customers is not expected. Further, trade debts amounting to Rs. 81.262 million (2014: Rs. 108.31 million) secured through letters of credit and thus do not carry any significant credit risk. The Company believes that impairment recognized in respect of trade debts past due is adequate and no further allowance is necessary based on historical default rates.

## Notes to and forming part of financial statements for the year ended June 30, 2015

### 38.1.4 Collateral held

The Company does not hold any collateral to secure its financial assets with the exception of trade debts, which are partially secured through confirmed letters of credit.

### 38.1.5 Credit risk management

As mentioned in note 38.1.3(b) to the financial statements, the Company's financial assets do not carry significant credit risk, with the exception of trade debts, which are exposed to losses arising from any non-performance by customers. In respect of trade debts, the Company manages credit risk by limiting significant exposure to any single customer. Formal policies and procedures of credit management and administration of receivables are established and executed. In monitoring customer credit risk, the ageing profile of total receivables and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis or confirmed letters of credit.

### 38.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

#### 38.2.1 Exposure to liquidity risk

The followings is the analysis of contractual maturities of financial liabilities, including estimated interest payments.

	2015				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	1,344,235,715	1,586,973,024	400,427,736	1,084,460,385	102,084,903
Short term borrowings	380,500,000	381,332,892	381,332,892	-	-
Accrued interest/mark-up	30,427,313	30,427,313	30,427,313	-	-
Trade creditors	128,522,651	128,522,651	128,522,651	-	-
Accrued liabilities	189,247,484	189,247,484	189,247,484	-	-
	<b>2,072,933,163</b>	<b>2,316,503,364</b>	<b>1,129,958,076</b>	<b>1,084,460,385</b>	<b>102,084,903</b>

	2014				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	1,595,948,387	2,114,900,429	430,405,883	1,333,990,734	350,503,812
Short term borrowings	682,904,828	686,589,005	686,589,005	-	-
Accrued interest/mark-up	45,995,403	45,995,403	45,995,403	-	-
Trade creditors	193,992,661	193,992,661	193,992,661	-	-
Accrued liabilities	145,899,153	145,899,153	145,899,153	-	-
	<b>2,664,740,432</b>	<b>3,187,376,651</b>	<b>1,502,882,105</b>	<b>1,333,990,734</b>	<b>350,503,812</b>

#### 38.2.2 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. The Company also maintains various lines of credit with banking companies.

## Notes to and forming part of financial statements for the year ended June 30, 2015

### 38.3 Market risk

#### 38.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency.

#### 38.3.1(a) Exposure to currency risk

The Company's exposure to currency risk as at the reporting date is as follows:

	2015 <i>Rupees</i>	2014 <i>Rupees</i>
<b>Financial assets</b>		
Trade debts	81,262,122	108,311,037
Cash at bank	3,554,027	4,179,074
Total exposure	<b>84,816,149</b>	<b>112,490,111</b>

#### 38.3.1(b) Exchange rates applied during the year

All foreign currency balances are denominated in United States Dollars (US \$). Exchange rates applied during the year are as follows:

Financial assets	101.65	98.75
Financial liabilities	101.85	98.95

#### 38.3.1(c) Sensitivity analysis

A ten percent appreciation in Pak Rupee against the US \$ would have decreased profit for the year by Rs. 8.481 million (2014: Rs. 11.25 million). A ten percent depreciation in Pak Rupee would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

#### 38.3.1(d) Currency risk management

The Company manages its exposure to currency risk through continuous monitoring of expected/forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly basis, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities/payments to assets/receipts and using source inputs in foreign currency.

### 38.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

#### 38.3.2(a) Interest/mark-up bearing financial instruments

The effective interest/mark-up rates for interest/mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest/mark-up bearing financial instruments as at the reporting date are as follows:

	2015 <i>Rupees</i>	2014 <i>Rupees</i>
<b>Fixed rate instruments</b>		
Financial assets	18,917,877	16,217,877
Financial liabilities	160,222,750	186,534,000
<b>Variable rate instruments</b>		
Financial assets	9,700,000	9,700,000
Financial liabilities	1,564,512,965	2,092,319,215



## Notes to and forming part of financial statements for the year ended June 30, 2015

### 38.3.2(b) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for fixed rate financial assets and liabilities at fair value through profit or loss.

### 38.3.2(c) Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year by Rs. 15.645 million (2014: Rs.20.92 million). A decrease of 100 basis points would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

### 38.3.2(d) Interest rate risk management

The Company manages interest rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points.

### 38.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is not exposed to price risk since the fair values of the Company's financial instruments are not based on market prices.

## 39 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders. The Company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances and liabilities against assets subject to finance lease, including current maturity. Total capital employed includes total equity as shown in the balance sheet plus debt. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital. Gearing ratio of the Company as at the reporting date is as follows:

	<i>Unit</i>	2015	2014
Total debt	<i>Rupees</i>	<b>1,344,235,715</b>	1,595,948,387
Total equity	<i>Rupees</i>	<b>2,678,840,677</b>	2,619,025,362
		<b>4,023,076,392</b>	<b>4,214,973,749</b>
Gearing	<i>%age</i>	<b>33.41%</b>	37.86%

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finance.

## 40 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on 23<sup>rd</sup> September 2015 has proposed dividend on ordinary shares at Rs. 5 per ordinary share of Rs. 10 each. The proposed dividend is subject to approval by the shareholders in the forthcoming annual general meeting and has not been included as a liability in the financial statements.

2015	2014
<i>Rupees</i>	<i>Rupees</i>

## 41 RESTRICTION ON TITLE, AND ASSETS MORTGAGED/PLEGDED AS SECURITY

### Mortgages and charges

Charge over current assets	<b>6,024,000,000</b>	5,491,000,000
Charge over fixed assets	<b>2,735,900,000</b>	2,541,000,000



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

### 42 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

	2015		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	4,800,000	9,600,000	-
Allowances and perquisites	-	-	-
Post employment benefits	-	-	-
	<b>4,800,000</b>	<b>9,600,000</b>	<b>-</b>
Number of persons	<b>1</b>	<b>2</b>	<b>-</b>

	2014		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	4,400,000	8,000,000	-
Allowances and perquisites	-	-	-
Post employment benefits	-	-	-
	<b>4,400,000</b>	<b>8,000,000</b>	<b>-</b>
Number of persons	<b>1</b>	<b>2</b>	<b>-</b>

### 43 SEGMENT INFORMATION

43.1 Products and services from which reportable segments derive their revenues Information reported to the Company's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. The Company's reportable segments are therefore as follows:

Segment	Product
Spinning	Yarn
Weaving	Fabric
Power	Electricity

Information regarding Company's reportable segments is presented below.

#### 43.2 Information about reportable segments

	2015			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Revenue from external customers	5,463,670,341	2,159,615,143	-	7,623,285,484
Intersegment revenues	-	-	60,531,234	60,531,234
Depreciation	118,278,382	197,342,305	7,104,986	322,725,673
Segment results	375,177,881	37,081,290	(23,469,646)	388,789,525
Segment assets	3,877,931,030	788,381,460	71,741,399	4,738,053,889
Segment liabilities	293,766,976	113,738,397	49,408,658	456,914,031
Interest income	1,769,828	-	-	1,769,828
Additions to non-current assets	172,684,339	5,236,142	-	177,920,481
Disposals of property, plant and equipment	23,121,571	453,993	-	23,575,564



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

	2014			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Revenue from external customers	5,169,872,621	2,209,723,175	-	7,379,595,796
Intersegment revenues	-	-	69,149,725	69,149,725
Depreciation	183,402,523	48,003,637	7,821,459	239,227,619
Segment results	292,027,793	252,677,064	(22,602,825)	522,102,032
Segment assets	4,180,612,874	993,969,480	88,877,517	5,263,459,871
Segment liabilities	247,274,659	162,772,060	43,388,680	453,435,399
Interest income	1,854,206	-	-	1,854,206
Additions to non-current assets	1,384,044,883	98,256,397	1,576,166	1,483,877,446
Disposals of property, plant and equipment	1,502,286	119,390	-	1,621,676

The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment results represent operating profit earned by the segment. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

### 43.3 Reconciliations of reportable segment information

#### 43.3.1 Segment revenues

	2015			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	5,463,670,341	2,159,615,143	60,531,234	7,683,816,718
Inter-segment revenues	-	-	(60,531,234)	(60,531,234)
Total for the Company	5,463,670,341	2,159,615,143	-	7,623,285,484

	2014			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	5,169,872,621	2,209,723,175	69,149,725	7,448,745,521
Inter-segment revenues	-	-	(69,149,725)	(69,149,725)
Total for the Company	5,169,872,621	2,209,723,175	-	7,379,595,796

#### 43.3.2 Segment assets

	2015			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	3,877,931,030	788,381,460	71,741,399	4,738,053,889
Unallocated assets				
Long term deposits				14,154,095
Advance income tax/income tax refundable				208,663,773
Total for the Company	3,877,931,030	788,381,460	71,741,399	4,960,871,757

	2014			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	4,180,612,874	993,969,480	88,877,517	5,263,459,871
Unallocated assets				
Long term deposits				11,125,095
Advance income tax/income tax refundable				191,477,753
Total for the Company	4,180,612,874	993,969,480	88,877,517	5,466,062,719



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

### 43.3.3 Segment liabilities

	2015			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	293,766,976	113,738,397	49,408,658	456,914,031
Un-allocated liabilities				
Long term finances				1,344,235,715
Deferred taxation				53,682,178
Short term borrowings				380,500,000
Accrued interest/mark-up				30,427,313
Workers' Profit Participation Fund				6,481,194
Workers' Welfare Fund				7,269,827
Unclaimed dividend				2,520,822
Total for the Company				<u>2,282,031,080</u>

	2014			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	247,274,659	162,772,060	43,388,680	453,435,399
Un-allocated liabilities				
Long term finances				1,595,948,387
Deferred taxation				19,071,379
Short term borrowings				682,904,828
Accrued interest/mark-up				45,995,403
Workers' Profit Participation Fund				13,366,463
Workers' Welfare Fund				33,921,297
Unclaimed dividend				2,394,201
Total for the Company				<u>2,847,037,357</u>

### 43.4 Geographical information

The Company's operations are not distributed geographically.

### 43.5 Information about significant customers

There is no single significant external customer to whom sales in excess of 10% of the Company's total sales were made during the year.

## 44 SHARES IN THE COMPANY HELD BY ASSOCIATED COMPANIES

Faisal Spinning Mills Limited, an associated company, holds 1,189,160 (2014: 1,189,160) ordinary shares of Rs. 10 each in the Company.

## 45 PLANT CAPACITY AND ACTUAL PRODUCTION

	Unit	2015	2014
<b>Spinning</b>			
Number of spindles installed	No.	59,136	55,872
Plant capacity on the basis of utilization converted into 20s count	Kgs'000	21,636	21,016
Actual production	Kgs'000	19,934	14,949
<b>Weaving</b>			
Number of looms installed	No.	139	136
Plant capacity on the basis of utilization converted into 50 picks	Mtrs'000	13,313	19,771
Actual production	Mtrs'000	11,456	19,735

It is difficult to precisely compare production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw materials used, spindle speed and twist, picks etc. It would also vary according to the pattern of production adopted in a particular year.



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2015

	<i>Unit</i>	2015	2014
<b>Power</b>			
Installed capacity	<i>Mwhs</i>	47,304	47,304
Power generated	<i>Mwhs</i>	16,872	8,668

Actual power generated is less than the installed capacity because unavailability/loadshedding of natural gas.

### 46 NUMBER OF EMPLOYEES

Number of persons employed by the Company as at the reporting date are as follows:

	2015	2014
	<i>No. of persons</i>	<i>No. of persons</i>
As at the reporting date	1,152	1,007
Average for the year	1,121	1,002

### 47 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 financial statements.

### 48 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 23<sup>rd</sup> September 2015 by the Board of Directors of the Company.

### 49 GENERAL

Figures have been rounded off to the nearest rupee. Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the year.

Mohammad Shakeel  
Director

Mohammad Salim  
Director

Karachi

Date: September 23<sup>rd</sup>, 2015

Pursuant to Section 241(2) of the Companies Ordinance, 1984, these financial statements have been signed by two Directors in the absence of Chief Executive who for the time being is not in the country.

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2015

NUMBER OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD
	FROM	TO	
243	1	100	12,101
164	101	500	64,113
34	501	1000	31,650
40	1001	5000	107,800
7	5001	10000	48,844
5	10001	15000	64,585
2	15001	20000	36,500
1	20001	25000	20,500
3	25001	30000	90,000
1	30001	35000	32,700
3	40001	45000	127,600
2	45001	50000	97,500
1	55001	60000	56,692
1	60001	65000	63,900
2	65001	70000	134,500
2	70001	75000	143,530
1	80001	85000	80,500
4	90001	95000	370,985
3	95001	100000	294,500
1	100001	105000	103,000
1	125001	130000	126,100
1	130001	135000	135,000
1	135001	140000	138,200
1	160001	165000	163,200
1	265001	270000	268,100
1	280001	285000	282,400
1	330001	335000	330,400
1	390001	395000	393,900
2	440001	445000	888,040
1	535001	540000	536,000
1	1185001	1190000	1,189,160
<u>532</u>			<u>6,432,000</u>

\* There is no shareholding in the slab not mentioned

## AS AT JUNE 30, 2015

Sr #	Shareholder Category	Percentage	No. of Shares
<b>1</b>	<b>ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES</b>		
	M/S. FAISAL SPINNING MILLS LTD	18.49	1,189,160
	MR. FARRUKH SALEEM	1.41	91,000
	MR. YOUSUF SALEEM	1.96	126,100
	MR. SAQIB SALEEM	1.47	94,700
	MR. MUHAMMAD QASIM	4.17	268,100
	MR. FAISAL SHAKEEL	8.05	516,985
	MRS. SABA YOUSUF	1.80	116,094
	MRS. SABA SAQIB	2.29	147,494
	MRS. SADAF FARRUKH	2.35	151,194
	MRS. SUMBUL QASIM	1.09	70,285
	MISS NOOR SHAKEEL	0.03	2,000
	MR. HAMZA SHAKEEL	0.03	2,000
<b>2</b>	<b>CEO, DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN</b>		
	MR. MUHAMMAD SHAHEEN	1.07	69,000
	MR. MUHAMMAD SALEEM	0.78	50,000
	MR. MUHAMMAD SHARIF	0.70	45,000
	MR. MUHAMMAD SHAKEEL	0.47	30,000
	MR. KHURRAM SALEEM	0.99	63,900
	MR. IQBAL MEHBOOB VOHRA	0.04	2,500
	MR. BILAL SHARIF	2.88	185,285
	MR. MUHAMMAD AMIN	4.39	282,400
	MR. ADIL SHAKEEL	6.91	444,300
	MRS. YASMIN BEGUM	0.65	42,000
	MRS. SEEMA BEGUM	0.63	40,600
	MRS. NAZLI BEGUM	1.02	65,500
	MRS. AMNA KHURRAM	2.73	175,803
	MRS. SAMIA BILAL	8.33	536,000
	MRS. FATIMA AMIN	5.14	330,400
	MASTER ABDULLAH BILAL	1.53	98,100
	MASTER UMER KHURRUM	0.04	2,500
	MASTER AZAAN BILAL	1.53	98,200
	MASTER ALI BILAL	1.53	98,200
<b>3</b>	<b>BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS AND INSURANCE COMPANIES</b>		
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	6.12	393,900
	NATIONAL BANK OF PAKISTAN	0.00	31



# BLESSED TEXTILES LIMITED

AS AT JUNE 30, 2015

Sr #	Shareholder Category	Percentage	No. of Shares
4	<b>JOINT STOCK COMPANIES</b>		
	SHAFI (PRIVATE) LTD	0.01	400
	M/S. MEHRAN SUGAR MILLS LTD.	0.00	200
5	<b>INDIVIDUAL SHAREHOLDERS</b>	9.28	596,842
6	<b>OTHERS COMPANIES</b>	0.09	5,827
	<b>TOTAL</b>	<b>100.00</b>	<b>6,432,000</b>
7	<b>DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN</b>	-	NIL
8	<b>SHAREHOLDERS HOLDING 05% OR MORE</b>		
	M/S. FAISAL SPINNING MILLS LTD	18.49	1,189,160
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	6.12	393,900
	MR. FAISAL SHAKEEL	8.04	516,985
	MR. ADIL SHAKEEL	6.91	444,300
	MRS. SAMIA BILAL	8.33	536,000
	MRS. FATIMA AMIN	5.14	330,400

## CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2015

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Directors Chief Executive Officer their Spouses and minor childrens	21	2,659,688	41.35
2	Associated Companies, Undertaking and Related Parties	16	2,775,112	43.15
3	Banks / Financial Institution	1	31	0.00
4	Insurance Companies	1	393,900	6.12
5	General Public / Individuals	486	596,842	9.28
6	Joint Stock Companies	2	600	0.01
7	Others Companies	5	5,827	0.09
		<b>532</b>	<b>6,432,000</b>	<b>100.00</b>



# BLESSED TEXTILES LIMITED

## PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of **BLESSED TEXTILES LIMITED** and holder of \_\_\_\_\_  
ordinary share as per Share Register Folio No. \_\_\_\_\_ and/or CDC Participant  
ID No. \_\_\_\_\_ and Sub Account No. \_\_\_\_\_ hereby appoint  
Mr./Mrs./Miss \_\_\_\_\_ of \_\_\_\_\_ or failing  
him/her \_\_\_\_\_ of \_\_\_\_\_ as my / our  
proxy to act on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company to be held on  
Wednesday October 28, 2015 at 5:00 p.m. at Umer House, 23/1, Sector 23, S.M. Farooq  
Road, Korangi Industrial Area, Karachi. and/or at any adjournment thereof.

### WITNESS

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

CNIC/Passport # \_\_\_\_\_

Affix  
Rs. 5/-  
Revenue  
Stamp

(Signature should agree with the  
specimen signature registered  
with the Company)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

### Notes:

If a member is unable to attend the meeting, they may complete and sign this form and sent it to the Company Secretary, **BLESSED TEXTILES LIMITED**, Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. so as to reach not less than 48 hours before the time scheduled for holding the meeting.

- (i) The Proxy form shall be witnessed by a person whose name, address and CNIC/Passport number should be stated on the form.
- (ii) Attested copy of CNIC or the Passport of the beneficial owner alongwith the Proxy form should also be submitted.
- (iii) The Proxy nominee shall produce his / her original CNIC or original Passport at the time of the meeting.
- (iv) In case of a Corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature should be submitted (unless it has been provided earlier) along with Proxy form to the Company.

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**REGISTERED OFFICE**

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