



*of Companies*

**FIRST QUARTERLY ACCOUNTS  
2016-2017  
(UN - AUDITED)**

**UMER GROUP OF COMPANIES**

**BLESSED TEXTILES LIMITED**



## BLESSED TEXTILES LIMITED

### DIRECTORS' REVIEW

The Board of directors is pleased to present before you the un-audited condensed interim financial statements for the first quarter ended 30<sup>th</sup> September 2016. These statements have been prepared in compliance with IAS-34 and are being submitted under section 245 of The Companies Ordinance 1984.

#### Operating Results

Operating result of the company for the first quarter ended 30<sup>th</sup> September 2016 is as under;

	September 2016 Rupees	September 2015 Rupees
Sales	1,920,003,781	1,594,469,804
Gross profit	153,522,580	119,088,425
Profit before tax	88,704,774	26,209,254
Profit after tax	69,527,013	10,302,778
Earnings per share	10.81	1.60
Breakup value per share	439.76	428.95

#### Overview and Future Prospects

The current quarter sales of the company have increased by 20% as compared to previous year's quarter. Current quarter after tax profit is PKR 69.527 million (September 2015: PKR 10.302 million) which increased substantially due to increase in demand and price of yarn.

There is still tough market condition prevailing for textile sector which includes lack of competitiveness in world market, availability of subsidized Chinese and Indian yarn, and the uncontrollable increase in cost of production. Government should prepare broad textile policy in order to facilitate the local entrepreneur to be competitive in world market.

Currently the price of cotton looks at higher side under the prevailing market condition. There must be a correlation between cotton prices and yarn prices for stability in spinning segment. Government should allow export finance scheme to yarn and fabric in order to support spinning sector which is currently passing through hard time.

Government should take immediate steps for availability of LNG at competitive rates in order to fulfill the shortage of gas. Due to energy crisis, Pakistan is losing its share of textile products in international market.

Subsequent quarter profitability will be in line with the correlation between cotton and yarn prices.

#### Acknowledgement

Yours Directors would like to place their appreciation of the cooperation of the financial institutions and dedication shown by the executives, officers, staff, technicians and workers of the company in the performance of their duties.

On behalf of the Board  
**MOHAMMAD AMIN**  
Chief Executive

Karachi: 28<sup>th</sup> October, 2016



## BLESSED TEXTILES LIMITED

### Condensed Interim Balance Sheet (Un-Audited) As At September 30, 2016

	(UN-AUDITED) SEPTEMBER 30 2016 RUPEES	(AUDITED) JUNE 30 2016 RUPEES
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized capital</b>		
6,500,000 (June 30, 2016: 6,500,000) ordinary shares of Rs. 10 each	<u>65,000,000</u>	<u>65,000,000</u>
Issued, subscribed and paid-up capital	<u>64,320,000</u>	64,320,000
General reserve	<u>2,600,000,000</u>	2,600,000,000
Accumulated profit	<u>164,257,686</u>	94,730,673
<b>TOTAL EQUITY</b>	<u>2,828,577,686</u>	<u>2,759,050,673</u>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long term finances - <i>Secured</i>	<u>1,326,073,216</u>	1,376,316,051
Deferred liabilities	<u>221,247,435</u>	219,862,302
	<u>1,547,320,651</u>	<u>1,596,178,353</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<u>374,498,457</u>	330,266,096
Accrued interest/mark-up	<u>22,980,412</u>	27,158,358
Short term borrowings - <i>Secured</i>	<u>430,826,843</u>	1,153,711,954
Current portion of non-current liabilities	<u>240,750,057</u>	254,009,628
	<u>1,069,055,769</u>	<u>1,765,146,036</u>
<b>TOTAL LIABILITIES</b>	<u>2,616,376,420</u>	<u>3,361,324,389</u>
CONTINGENCIES AND COMMITMENTS	4	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>5,444,954,106</u>	<u>6,120,375,062</u>

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

**MOHAMMAD AMIN**  
Chief Executive

Karachi: 28<sup>th</sup> October, 2016



## BLESSED TEXTILES LIMITED

### Condensed Interim Balance Sheet (Un-Audited) As At September 30, 2016

		(UN-AUDITED) SEPTEMBER 30 2016 RUPEES	(AUDITED) JUNE 30 2016 RUPEES
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	3,404,557,349	3,512,679,217
Long term deposits - <i>Unsecured, Considered good</i>		14,154,095	14,154,095
		<b>3,418,711,444</b>	<b>3,526,833,312</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		69,344,496	64,913,402
Stock in trade		849,904,040	1,592,564,953
Trade debts		390,301,672	302,464,788
Advances, prepayments and other receivables		83,197,150	104,501,670
Sales tax refundable		172,728,992	191,851,524
Income tax refundable		267,320,974	272,000,389
Bank balances		193,445,338	65,245,024
		<b>2,026,242,662</b>	<b>2,593,541,750</b>
<b>TOTAL ASSETS</b>		<b><u>5,444,954,106</u></b>	<b><u>6,120,375,062</u></b>

  
**MOHAMMAD SALIM**  
Director



## BLESSED TEXTILES LIMITED

### Condensed Interim Profit And Loss Account (Un-Audited) For The First Quarter Ended September 30, 2016

	Note	SEPTEMBER 30 2016 RUPEES	SEPTEMBER 30 2015 RUPEES
<b>Sales - net</b>		<b>1,920,003,781</b>	1,594,469,804
Cost of sales		<b>1,766,481,201</b>	1,475,381,379
<b>Gross profit</b>		<b>153,522,580</b>	119,088,425
Selling and distribution expenses		<b>34,389,008</b>	30,545,464
Administrative and general expenses		<b>26,257,212</b>	26,166,536
		<b>60,646,220</b>	56,712,000
		<b>92,876,360</b>	62,376,425
Other income		<b>39,587,475</b>	283,755
<b>Operating profit</b>		<b>132,463,835</b>	62,660,180
Finance cost		<b>36,649,236</b>	33,601,825
Other charges		<b>7,109,825</b>	2,849,101
		<b>43,759,061</b>	36,450,926
<b>Profit before taxation</b>		<b>88,704,774</b>	26,209,254
Provision for taxation	6		
Current taxation		<b>19,177,761</b>	15,906,476
Deferred taxation		-	-
		<b>19,177,761</b>	15,906,476
<b>Profit after taxation</b>		<b>69,527,013</b>	10,302,778
<b>Earnings per share - basic and diluted</b>		<b>10.81</b>	1.60

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

**MOHAMMAD AMIN**  
Chief Executive

**MOHAMMAD SALIM**  
Director

Karachi: 28<sup>th</sup> October, 2016



**BLESSED TEXTILES LIMITED**

**Condensed Interim Statement of Other Comprehensive Income (Un-Audited)  
For The First Quarter Ended September 30, 2016**

	<i>(Un-audited)</i> SEPTEMBER 30 2016 RUPEES	<i>(Un-audited)</i> SEPTEMBER 30 2015 RUPEES
Profit after taxation	69,527,013	10,302,778
Other comprehensive income	-	-
Deferred tax	-	-
Total comprehensive income	<u>69,527,013</u>	<u>10,302,778</u>

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

**MOHAMMAD AMIN**  
Chief Executive

**MOHAMMAD SALIM**  
Director

Karachi: 28<sup>th</sup> October, 2016



## BLESSED TEXTILES LIMITED

### Condensed Interim Cash Flow Statement (Un-Audited) For The First Quarter Ended September 30, 2016

	SEPTEMBER 30 2016 RUPEES	SEPTEMBER 30 2015 RUPEES
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	88,704,774	26,209,254
Adjustments for non-cash and other items		
Interest / markup on borrowings	36,649,236	29,871,399
Gain on disposal of property, plant and equipment	(38,775,692)	-
Provision for employees retirement benefits	5,790,000	8,760,000
Depreciation	86,490,000	78,000,000
	90,153,544	116,631,399
Operating profit before changes in working capital	178,858,318	142,840,653
Changes in working capital		
Stores, spares and loose tools	(4,431,094)	(1,186,687)
Stock in trade	742,660,913	354,747,141
Trade debts	(87,836,884)	(81,535,640)
Advances, prepayments and other receivables	21,304,520	12,643,538
Sales tax refundable	19,122,532	4,607,537
Long term deposits	-	(14,000)
Trade and other payables	44,232,361	13,231,348
Long term payables	401,892	593,562
	735,454,240	303,086,799
Cash generated from operations	914,312,558	445,927,452
Payments for:		
Employees retirement benefits	(4,806,759)	(1,943,875)
Interest/markup	(40,827,182)	(32,954,493)
Income tax	(14,498,346)	(11,942,599)
<b>Net used in operating activities</b>	<b>854,180,271</b>	<b>399,086,485</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(25,510,135)	(54,329,077)
Proceeds from disposal of property, plant and equipment	85,917,695	-
<b>Net cash used in investing activities</b>	<b>60,407,560</b>	<b>(54,329,077)</b>



## BLESSED TEXTILES LIMITED

### Condensed Interim Cash Flow Statement (Un-Audited) For The First Quarter Ended September 30, 2016

	SEPTEMBER 30 2016 RUPEES	SEPTEMBER 30 2015 RUPEES
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term finances	(63,502,406)	(35,226,554)
Net increase in short term borrowings	(722,885,111)	(288,500,000)
<b>Net cash generated from financing activities</b>	<b>(786,387,517)</b>	<b>(323,726,554)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>128,200,314</b>	<b>21,030,854</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>65,245,024</b>	<b>57,187,026</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>193,445,338</b>	<b>78,217,880</b>

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

**MOHAMMAD AMIN**  
Chief Executive

**MOHAMMAD SALIM**  
Director

Karachi: 28<sup>th</sup> October, 2016



## BLESSED TEXTILES LIMITED

### Condensed Interim Statement of Changes In Equity (Un-Audited) For The First Quarter Ended September 30, 2016

	Issued subscribed and paid-up capital	General reserve	Accumulated profit	Total equity
	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2015 - <b>Audited</b>	64,320,000	2,550,000,000	64,520,677	2,678,840,677
Comprehensive income				
Profit after taxation	-	-	10,302,778	10,302,778
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	10,302,778	10,302,778
Balance as at September 30, 2015 - <b>Un-audited</b>	64,320,000	2,550,000,000	74,823,455	2,689,143,455
Comprehensive income				
Profit after taxation	-	-	84,635,742	84,635,742
Other comprehensive income	-	-	17,431,476	17,431,476
Total comprehensive income	-	-	102,067,218	102,067,218
Transaction with owners				
Final dividend @ 50% i.e. Rs. 5/- per ordinary share	-	-	(32,160,000)	(32,160,000)
Profit transferred to general reserve	-	50,000,000	(50,000,000)	-
Balance as at June 30, 2016 - <b>Audited</b>	<b>64,320,000</b>	<b>2,600,000,000</b>	<b>94,730,673</b>	<b>2,759,050,673</b>
Comprehensive income				
Profit after taxation	-	-	69,527,013	69,527,013
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	69,527,013	69,527,013
Balance as at September 30, 2016 - <b>Un-audited</b>	<b>64,320,000</b>	<b>2,600,000,000</b>	<b>164,257,686</b>	<b>2,828,577,686</b>

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

**MOHAMMAD AMIN**  
Chief Executive

**MOHAMMAD SALIM**  
Director

Karachi: 28<sup>th</sup> October, 2016



## BLESSED TEXTILES LIMITED

### Notes to the Condensed Interim Financial Information (Un-audited) For The First Quarter Ended September 30, 2016

#### 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 Pakistan Stock Exchange Limited. The Company is primarily 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

This interim financial information is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2016.

The comparative interim balance sheet as at June 30, 2016 and the related notes to the condensed interim financial information are based on audited financial statements. The comparative interim profit and loss account, interim statement of profit or loss and other comprehensive income, interim cash flow statement, interim statement of changes in equity and related notes to the condensed interim financial information for the first quarter ended September 30, 2016 are based on unaudited, interim financial information.

##### 2.1 Statement of compliance

This condensed interim financial report has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting, and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed.

##### 2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain financial instruments at fair value, certain financial liabilities at amortized cost and employees retirement benefits at present value. In this financial information, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

##### 2.3 Judgments, estimates and assumptions

The preparation of financial information requires management to make judgments, 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 judgments 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. 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.

##### 2.4 Functional currency

This financial information is prepared in Pak Rupees which is the Company's functional currency.

## BLESSED TEXTILES LIMITED

### Notes to the Condensed Interim Financial Information (Un-audited) For The First Quarter Ended September 30, 2016

#### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2016. However, the Company has applied the following new accounting policies for transactions, other events and conditions that did not occur previously.

##### 3.1 Non-current assets held for sale

A non-current asset is classified as held for sale when its carrying amount is expected to be recovered principally through sale rather than continuing use. A non-current asset held for sale is measured at lower of its carrying amount and fair value less costs to sell.

#### 4 CONTINGENCIES AND COMMITMENTS

There is no material change in contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2016.

	<b>Note</b>	<b>September 30, 2016 Rupees (Un-Audited)</b>	<b>June 30, 2016 Rupees (Audited)</b>
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>3,377,734,819</b>	3,511,366,822
Capital work in progress		<b>26,822,530</b>	1,312,395
		<b><u>3,404,557,349</u></b>	<u>3,512,679,217</u>
<b>5.1 Operating fixed assets</b>			
Net book value at the beginning of the period/year		<b>3,511,366,822</b>	3,025,391,060
Additions during the period/year			
Freehold land		-	19,385,882
Factory buildings		-	3,272,195
Plant and machinery		-	809,879,171
Equipment and other assets		-	5,384,752
Electric installation		-	1,601,704
Vehicles		-	5,700,630
		-	845,224,334
Net book value of assets disposed during the period/year		<b>(47,142,003)</b>	(49,125,659)
Depreciation for the period/year		<b>(86,490,000)</b>	(310,122,913)
Net book value at the end of the period/year		<b><u>3,377,734,819</u></b>	<u>3,511,366,822</u>

#### 6 PROVISION FOR TAXATION

6.1 Provision for current tax has been in accordance with the requirements of section 18 and section 154 of the Income Tax Ordinance, 2001.

6.2 No provision for deferred tax has been made as the impact of the same is considered immaterial.

## BLESSED TEXTILES LIMITED

### Notes to the Condensed Interim Financial Information (Un-audited) For The First Quarter Ended September 30, 2016

#### 7 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.

Details of transactions and balances with related parties is as follows:

		First Quarter Ended	
		September 30, 2016	September 30, 2015
		Rupees	Rupees
		<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
7.1	Transactions with related parties		
	<b>Nature of relationship</b>	<b>Nature of transaction</b>	
	Associated companies	Purchases	40,798,550
		Sales	247,498,792
		Service received	75,000
		Purchase of electricity	132,100,742
		<b>39,784,000</b>	
		<b>244,507,321</b>	
		<b>79,500</b>	
		<b>101,553,388</b>	
7.2	Balances with related parties		
	There are no balances with related parties as at the reporting date.		

#### 8 SEGMENT REPORTING

The Company has three reportable segments, which offer different products and are managed separately. The following summary describes the operations in each of the company's reportable segments.

Reportable segment	Principal activity
Spinning	Manufactures and sale of yarn
Weaving	Manufactures and sale of woven fabric
Power	Generation and sale of electricity

Information about operating segments as at September 30, 2016 and for the quarter then ended is as follows:

Quarter ended September 30, 2016				
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Revenue from external customers	1,308,216,966	611,786,815	-	1,920,003,781
Inter-segment revenues	90,144,950	-	21,412,179	111,557,129
Segment results	93,843,469	45,393,994	(6,773,628)	132,463,835
Quarter ended September 30, 2015				
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Revenue from external customers	1,147,552,172	446,917,632	-	1,594,469,804
Inter-segment revenues	72,097,000	-	21,463,821	93,560,821
Segment results	52,605,928	16,697,782	(6,643,530)	62,660,180

**BLESSED TEXTILES LIMITED**

**Notes to the Condensed Interim Financial Information (Un-audited)  
For The First Quarter Ended September 30, 2016**

As at September 30, 2016

	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment assets	<u>3,516,041,812</u>	<u>1,581,650,685</u>	<u>65,786,540</u>	<u>281,475,069</u>	<u>5,444,954,106</u>

As at June 30, 2016

	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment assets	<u>4,151,888,656</u>	<u>1,615,117,072</u>	<u>67,214,850</u>	<u>286,154,484</u>	<u>6,120,375,062</u>

As at September 30, 2016

	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment liabilities	<u>255,555,630</u>	<u>187,481,259</u>	<u>49,277,482</u>	<u>2,124,062,049</u>	<u>2,616,376,420</u>

As at June 30, 2016

	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment liabilities	<u>254,065,760</u>	<u>145,624,557</u>	<u>46,116,385</u>	<u>2,915,517,687</u>	<u>3,361,324,389</u>

**9 EVENTS AFTER THE REPORTING PERIOD**

There are no significant events after the reporting period that may require any adjustment or disclosure in this condensed interim financial report.

**10 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.

**11 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on October 28, 2016.

**12 GENERAL**

12.1 There are no other significant activities since June 30, 2016 affecting the interim financial information.

12.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.

12.3 Figures have been rounded off to the nearest Rupee.



**MOHAMMAD AMIN**  
Chief Executive



**MOHAMMAD SALIM**  
Director

Karachi: 28<sup>th</sup> October, 2016

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