



of Companies

HALF YEARLY ACCOUNTS
2020-2021
(UN - AUDITED)

UMER GROUP OF COMPANIES

BLESSED TEXTILES LIMITED

VISION

A leader company maintaining an excellent level of ethical and professional standards.



MISION STATEMENT

To become a top quality manufacturer of textile products in the local & international markets.

Directors' Review

On behalf of the board of directors of Blessed Textiles Limited, I am presenting the unaudited condensed interim financial statements for the half year ended December 31, 2020.

Significant Financial Performance of the Half Year Ended December 31, 2020;

Profit after tax for the half year ended December 31, 2020 is PKR 411.161 million as compared to PKR 321.555 million for the corresponding period ended December 31, 2019.

Earnings per share for the half year ended December 31, 2020 is PKR 63.92 (December 2019: PKR 49.99).

Break-up value of the share as on December 31, 2020 is PKR 668.64 (June 2020: PKR 604.72).

The current ratio for half year ended December 31, 2020 is 2.29 (June 30, 2020: 1.62).

Overview of Textiles

Textile often referred to as the backbone of Pakistan's economy as it enjoys around 60% share in total exports by contributing 8.5% to the national gross domestic product and providing employment of around 15 million people directly or indirectly but the cotton crop has disappointed yet again due to substitution and dwindling yields. It's estimated that cotton production will stay around 6.0 million bales (155 kg per bale) in the current fiscal year 2020-21.

The low quality of cotton yield in Pakistan was an impending feature of the textile value-chain even before the substitution with competing crops. In fact, we suffer from one of the worst contamination percentages in the world which is more than seven times the international standard primarily due to obsolete and ineffective picking methods. Besides, the below-par pace of seed research is also the reason for dwindling quality output. The world is depending on genetically modified seeds for more than two decades in particular Bt generations, to enhance cotton's productivity and output quality whereas Pakistan's bid to facilitate agricultural productivity through localized research has been abysmally. The delayed and point-blank adoption of these genetically modified varieties was haphazard, unregulated, and in the long term, counterproductive.

We suggest that there is an urgent need for consolidation and standardization in the seed industry of the country along with the need to invest in seed research so that it can better develop strains that are more suited to local climatic conditions and other practical elements. Agriculture policymaking also needs a realignment of priorities as cannibalization of cotton by the competing crops required to be addressed urgently which is the main input for the most important export sector of the country and therefore serves as the basis for critical foreign exchange. The regulators need to understand is that in order to ensure sustainable growth in agriculture, they need to lend support directly to farmers in enhancing productivity.

Establishment of a New Spinning Unit

The board of directors have unanimously approved for setting up a new spinning unit of 13,056 spindles with the production capacity of 450 bags per day approximately in Sheikhpura, Punjab.

Acknowledgement

The Board highly appreciates the contribution of employees, bankers, corporate regulators, stakeholders and other government authorities for their continuous support.

On behalf of the Board



Muhammad Amin

(Chief Executive)

Karachi: February 25, 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of BLESSED TEXTILES LIMITED Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **BLESSED TEXTILES LIMITED** [‘the Company’] as at December 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the three-month period ended December 31, 2020 of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income have not been reviewed as we are required to review only cumulative figures for the six-month period ended on that date.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity.” A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor’s review report is **ZUBAIR IRFAN MALIK**



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Date: **FEBRUARY 25, 2021**

Place: **LAHORE**



BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	Note	December 31, 2020	June 30, 2020
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-audited)</i>	<i>(Audited)</i>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
<i>Authorized capital</i>			
6,500,000 (June 30, 2020: 6,500,000) ordinary shares of Rs. 10 each		65,000,000	65,000,000
Issued, subscribed and paid-up capital		64,320,000	64,320,000
General reserve		3,800,000,000	3,800,000,000
Accumulated profit		436,388,616	25,227,232
TOTAL EQUITY		4,300,708,616	3,889,547,232
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finances		1,837,414,211	1,959,432,883
Long term payables		253,664,428	276,729,403
Employees retirement benefits		150,766,352	150,094,896
Deferred taxation		212,161,009	212,161,009
Deferred grant		3,295,335	2,637,881
		2,457,301,335	2,601,056,072
CURRENT LIABILITIES			
Trade and other payables		577,884,375	642,118,345
Unclaimed dividend		6,516,902	6,638,404
Accrued interest/profit		43,089,232	82,844,398
Short term borrowings		1,379,267,087	3,480,258,201
Current portion of non-current liabilities		388,681,033	59,566,428
		2,395,438,629	4,271,425,776
TOTAL LIABILITIES		4,852,739,964	6,872,481,848
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		9,153,448,580	10,762,029,080

The annexed notes from 1 to 15 form an integral part of these interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	Note	December 31, 2020	June 30, 2020
		Rupees	Rupees
		(Un-audited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,638,506,982	3,811,341,459
Long term deposits		24,928,395	14,394,095
		3,663,435,377	3,825,735,554
CURRENT ASSETS			
Stores, spares and loose tools		91,276,167	87,837,272
Stock in trade		3,896,989,287	5,021,697,279
Trade receivables		880,775,255	816,681,600
Advances, deposits, prepayments and other receivables		224,987,715	263,493,834
Sales tax refundable		6,331,008	171,809,277
Advance income tax		253,054,796	371,896,299
Cash and bank balances		136,598,975	202,877,965
		5,490,013,203	6,936,293,526
TOTAL ASSETS		9,153,448,580	10,762,029,080

The annexed notes from 1 to 15 form an integral part of these interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Six month ended		Three month ended		
	Note	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		Rupees	Rupees	Rupees	Rupees
Sales - net		7,057,289,368	6,417,442,840	3,638,018,636	3,426,357,511
Cost of sales		6,191,270,706	5,658,852,196	3,109,904,482	2,964,608,462
Gross profit		866,018,662	758,590,644	528,114,154	461,749,049
Distribution cost		137,551,717	115,997,435	73,065,939	62,176,869
Administrative expenses		83,158,108	75,005,318	40,814,984	37,235,370
		220,709,825	191,002,753	113,880,923	99,412,239
Other income		645,308,837	567,587,891	414,233,231	362,336,810
		8,042,792	3,227,586	4,978,363	739,880
Operating profit		653,351,629	570,815,477	419,211,594	363,076,690
Finance cost		147,226,611	140,446,921	54,907,059	65,701,803
Other expenses		34,734,069	28,331,108	25,001,291	17,936,660
		181,960,680	168,778,029	79,908,350	83,638,463
Profit before taxation		471,390,949	402,037,448	339,303,244	279,438,227
Provision for taxation	8	60,229,565	80,482,726	16,005,486	42,465,272
Profit after taxation		411,161,384	321,554,722	323,297,758	236,972,955
Earnings per share - basic and diluted		63.92	49.99	50.26	36.84

The annexed notes from 1 to 15 form an integral part of these interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Six month ended		Three month ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Profit after taxation	411,161,384	321,554,722	323,297,758	236,972,955
Other comprehensive income	-	-	-	-
Total comprehensive income	411,161,384	321,554,722	323,297,758	236,972,955

The annexed notes from 1 to 15 form an integral part of these interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Share capital	Revenue reserves		Total equity
	Issued subscribed and paid-up capital	General reserve	Accumulated profit	
	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2019 - Audited	64,320,000	3,500,000,000	190,768,762	3,755,088,762
Comprehensive income				
Profit after taxation	-	-	321,554,722	321,554,722
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	321,554,722	321,554,722
Transaction with owners				
Final dividend @ 198% i.e. Rs. 19.80 per ordinary share	-	-	(127,353,650)	(127,353,650)
Balance as at December 31, 2019 - Un-audited	64,320,000	3,500,000,000	384,969,834	3,949,289,834
Balance as at January 01, 2020 - Un-audited	64,320,000	3,500,000,000	384,969,834	3,949,289,834
Comprehensive income				
Profit after taxation	-	-	103,721,993	103,721,993
Other comprehensive income	-	-	(12,955,795)	(12,955,795)
Total comprehensive income	-	-	90,766,198	90,766,198
Transaction with owners				
Interim dividend @ 234% i.e. Rs. 23.40 per ordinary share	-	-	(150,508,800)	(150,508,800)
Other transactions				
Profit transferred to general reserve	-	300,000,000	(300,000,000)	-
Balance as at June 30, 2020 - Audited	64,320,000	3,800,000,000	25,227,232	3,889,547,232
Balance as at July 01, 2020 - Audited	64,320,000	3,800,000,000	25,227,232	3,889,547,232
Comprehensive income				
Profit after taxation	-	-	411,161,384	411,161,384
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	411,161,384	411,161,384
Transaction with owners	-	-	-	-
Balance as at December 31, 2020 - Un-Audited	64,320,000	3,800,000,000	436,388,616	4,300,708,616

The annexed notes from 1 to 15 form an integral part of these interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Six month ended	
	December 31, 2020	December 31, 2019
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	471,390,949	402,037,448
Adjustments for non-cash and other items		
Finance cost	147,226,611	140,446,921
Gain on disposal of property, plant and equipment	-	(300,897)
Provision for employees retirement benefits	21,720,000	19,200,000
Depreciation	191,220,000	188,400,000
	360,166,611	347,746,024
Operating profit before changes in working capital	831,557,560	749,783,472
Changes in working capital		
Stores, spares and loose tools	(3,438,895)	(178,957)
Stock in trade	1,124,707,992	928,919,017
Trade debts	(64,093,655)	214,018,910
Advances, deposits, prepayments and other receivables	38,506,119	(38,084,151)
Sales tax refundable	165,478,269	76,722,763
Trade and other payables	(64,233,970)	87,410,937
Long term payables	8,198,709	3,971,961
	1,205,124,569	1,272,780,480
Net cash generated from operations	2,036,682,129	2,022,563,952
Payments for:		
Employees retirement benefits	(21,048,545)	(17,119,333)
Interest/profit	(186,981,776)	(163,947,802)
Income tax	58,611,938	(64,878,482)
Net cash generated from operating activities	1,887,263,746	1,776,618,335
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(18,385,523)	(264,573,952)
Proceeds from disposal of property, plant and equipment	-	679,000
Long term deposit made	(10,534,300)	-
Net cash used in investing activities	(28,919,823)	(263,894,952)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances obtained	176,489,703	199,217,000
Repayment of long term finances	-	(184,368,483)
Net decrease in short term borrowings	(2,100,991,114)	(1,562,714,545)
Dividend paid	(121,502)	(126,608,704)
Net cash used in financing activities	(1,924,622,913)	(1,674,474,732)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(66,278,990)	(161,751,349)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	202,877,965	302,171,995
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	136,598,975	140,420,646

The annexed notes from 1 to 15 form an integral part of these interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

1 LEGAL STATUS AND OPERATIONS

Blessed Textiles Limited [the Company] was incorporated in Pakistan as a Public Limited Company under the repealed 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 18 KM, Feroze Wattoan, Sheikhpura Road, District Sheikhpura in the Province of Punjab.

2 BASIS OF PREPARATION

The interim financial statements are un-audited and have been presented in condensed form and do not include all the information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2020.

These interim financial statements have been subjected to limited scope review by the auditors of the company, as required by the Companies Act, 2017 under section 237. The comparative condensed interim statement of financial position as at June 30, 2020 and the related notes to the interim financial statements are based on audited financial statements. The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and related notes to the condensed interim financial statements for the six month period ended December 31, 2019 are based on unaudited, reviewed interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended December 31, 2020 and December 31, 2019 are neither audited nor reviewed.

2.1 Statement of compliance

These interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard 34 - Interim Financial Reporting, issued by International Accounting Standards Board [IASB] as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These interim financial statements have 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 these financial statements, 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 interim 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. 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

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

2.5 Date of authorisation for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on February 25, 2021.

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

The following new and 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 interim financial statements of the Company other than presentation and disclosures, except as stated otherwise.

3.1 Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework.

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASC framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

3.2 Definition of a Business (Amendments to IFRS 3 - Business Combinations)

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

3.3 Definition of Material (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)

The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

3.4 Interest Rate Benchmark Reform (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures)

The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

3.5 Covid-19 - Related Rent Concessions (Amendment to IFRS 16 - Leases)

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

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.

	Effective date (annual periods beginning on or after)
IFRS 17 - Insurance contracts (2017)	January 01, 2023
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).	Deferred Indefinitely
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards).	January 01, 2023
	Effective date (annual periods beginning on or after)
Reference to the Conceptual Framework (Amendments to IFRS 3 - Business Combinations).	January 01, 2022
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16 - Property, Plant and Equipment).	January 01, 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 - Impairment of Assets).	January 01, 2022
Annual Improvements to IFRS Standards 2018–2020.	January 01, 2022
Ammendments to IFRS 17	January 01, 2023
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures, IFRS 4 - Insurance Contracts, IFRS 16 - Leases).	January 01, 2021
Other than afore mentioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ['SECP']:	
IFRS 1 - First Time Adoption of International Financial Reporting Standards	

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

IFRS 14 - Regulatory Deferral Accounts
IFRS 17 – Insurance contracts (2017)

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. 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 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2020.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 Bills discounted/negotiated as at the reporting date amounts to Rs. 280.766 million (June 30, 2020: Rs. 1,217.98 million).

6.1.2 There is no change in status of contingencies since June 30, 2020 except as mentioned in note 6.1.1.

6.2 Commitments

	Note	December 31, 2020	June 30, 2020
		Rupees (Un-Audited)	Rupees (Audited)
Commitments under irrevocable letters of credit		1,493,685,846	1,829,062,078

7 PROPERTY, PLANT AND EQUIPMENT

	Note	December 31, 2020	June 30, 2020
		Rupees (Un-Audited)	Rupees (Audited)
Operating fixed assets	7.1	3,602,041,854	3,793,261,854
Capital work in progress		36,465,128	18,079,605
		3,638,506,982	3,811,341,459

7.1 Operating fixed assets

	Note	December 31, 2020	June 30, 2020
		Rupees (Un-Audited)	Rupees (Audited)
Net book value at the beginning of the period/year		3,793,261,854	3,744,096,165
Additions/transfers during the period/year			
Factory buildings		-	50,200,663
Plant and machinery		-	377,840,864
Equipment and other assets		-	9,681,595
Vehicles		-	4,367,120
		-	442,090,242
Net book value of assets disposed during the period/year		-	(378,103)
Depreciation for the period/year		(191,220,000)	(392,546,450)
Net book value at the end of the period/year		3,602,041,854	3,793,261,854

7.2 Capital work in progress

	Note	December 31, 2020	June 30, 2020
		Rupees (Un-Audited)	Rupees (Audited)
Net book value at the beginning of the period/year		18,079,605	36,963,584
Additions during the period/year		18,385,523	409,157,548
Transfers to operating fixed assets		-	(428,041,527)
Net book value at end of the period/year		36,465,128	18,079,605

	Note	Six month ended		Three month ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)

8 PROVISION FOR TAXATION

	Note	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)
Current taxation					
for current year	8.1	91,304,921	80,482,726	47,080,842	42,465,272
for prior year		(31,075,356)	-	(31,075,356)	-
		60,229,565	80,482,726	16,005,486	42,465,272
Deferred taxation	8.2	-	-	-	-

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

60,229,565	80,482,726	16,005,486	42,465,272
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- 8.1 Provision for current tax has been made in accordance with the requirements of section 113 and 169 of the Income Tax Ordinance, 2001.
- 8.2 No provision for deferred tax has been made as the impact of the same is considered immaterial.

9 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. The details of Company's related parties, with whom the Company had transactions during the period or has balances outstanding as at the reporting date are as follows:

Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding in the Company
Faisal Spinning Mills Limited	Associated company	Common directorship	18.49%
Bhanero Textiles Mills Limited	Associated company	Common directorship	0.00%
Bhanero Energy Limited	Associated company	Common directorship	0.00%
Admiral (Private) Limited	Associated company	Common directorship	0.00%
Mohammad Amin	Key management personnel	Chief executive officer	4.39%
Adil Shakeel	Key management personnel	Director	4.12%
Mohammad Shaheen	Key management personnel	Director	1.07%

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 orderly transaction between market participants at the date of transaction.

There are no balances with related parties as at the reporting date. Names, basis of relationship, details of transactions with associated undertakings & related parties is as follows:

		Six Months Ended	
		December 31, 2020	December 31, 2019
		Rupees	Rupees
		(Un-Audited)	(Un-Audited)
9.1 Transactions with related parties			
Nature of relationship	Nature of transaction		
Associated companies	Purchases	245,098,248	149,925,927
	Sales	627,002,057	723,056,525
	Service received	154,500	154,500
	Purchase of electricity	118,083	1,310,121
Key management personnel	Short term employee benefits	15,600,000	13,000,000

10 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	December 31, 2020	June 30, 2020
	Rupees	Rupees
	(Un-Audited)	(Audited)
Financial assets		
Cash in hand	172,993	-
Financial assets at amortized cost		
Long term deposits	24,928,395	14,394,095
Trade receivables	880,775,255	816,681,600
Advances to employees	12,658,491	15,306,304
Security deposits	160,565,677	128,065,677
Bank balances	136,425,982	202,877,965
	1,215,353,800	1,177,325,641
	1,215,526,793	1,177,325,641

Financial liabilities

Financial liabilities at amortized cost

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

Long term finances	2,182,982,921	2,013,891,529
Short term borrowings	1,379,267,087	3,480,258,201
Accrued interest/profit	43,089,232	82,844,398
Trade creditors	199,228,188	278,901,118
Accrued liabilities	232,883,042	255,192,427
Unclaimed dividend	6,516,902	6,638,404
	4,043,967,372	6,117,726,077

11 FAIR VALUE MEASUREMENTS

11.1 Financial Instruments

There are no recurring or non-recurring fair value measurements as at the reporting date. The management considers the carrying amount of all the financial instruments to approximate their fair values.

11.2 Assets and liabilities other than financial instruments.

None of the assets and liabilities other than financial instruments are measured at fair value.

12 SEGMENT REPORTING

The Company has two 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	Manufacture and sale of yarn
Weaving	Manufacture and sale of woven fabric

Information about operating segments is as follows:

	Six month ended December 31, 2020		
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Total Rupees (Un-audited)
Revenue from external customers	5,364,645,712	1,692,643,656	7,057,289,368
Inter-segment transfers	132,316,900	-	132,316,900
Segment results	477,505,993	175,845,636	653,351,629

	Six month ended December 31, 2019		
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Total Rupees (Un-audited)
Revenue from external customers	4,881,343,146	1,536,099,694	6,417,442,840
Inter-segment transfers	58,200,359	-	58,200,359
Segment results	390,230,616	180,584,861	570,815,477

	As at December 31, 2020			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment assets	7,080,587,069	1,794,878,320	277,983,191	9,153,448,580

	As at June 30, 2020			
	Spinning Rupees (Audited)	Weaving Rupees (Audited)	Un-allocated Rupees (Audited)	Total Rupees (Audited)
Segment assets	8,581,579,060	1,794,159,626	386,290,394	10,762,029,080

	As at December 31, 2020			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment liabilities	628,406,582	220,500,872	4,003,832,510	4,852,739,964

	As at June 30, 2020			
	Spinning	Weaving	Un-allocated	Total

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Rupees (Audited)	Rupees (Audited)	Rupees (Audited)	Rupees (Audited)
Segment liabilities	905,235,809	321,409,199	5,645,836,840	6,872,481,848

13 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require adjustment of and/or disclosure in these interim financial statements.

14 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 interim financial statements.

15 GENERAL

15.1 There are no other significant activities since June 30, 2020 affecting the interim financial statements.

15.2 Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER