



of Companies

**FIRST QUARTERLY ACCOUNTS
2015-2016
(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 financial statements for the first quarter ended 30th September 2015. 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 30th September 2015 is as under;

	September 2015 Rupees	September 2014 Rupees
Sales	1,594,469,804	2,147,299,710
Gross profit	119,088,425	172,684,687
Profit before tax	26,209,254	41,501,476
Profit after tax	10,302,778	20,103,318
Earnings per share	1.60	3.13

Overview and Future Prospects

The challenges faced by the textile industry particularly spinning sector have adversely affected the company's financial performance during the quarter ended 30th September 2015. The tough market condition prevailing for more than one year which includes, lower demand of yarn due to global economic conditions, availability of subsidized Indian yarn and the uncontrollable increase in cost of production has also made its impact in reducing the profitability.

Currently the price of cotton is around PKR 5,500 per maund and 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 grey 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.

In the present scenario the results are likely to be adverse in coming quarter. The management of the company is doing its best efforts to maintain the profitability margin.

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: 28th October, 2015



BLESSED TEXTILES LIMITED

Condensed Interim Balance Sheet (Un-Audited) As At September 30, 2015

	(UN-AUDITED) SEPTEMBER 30 2015 RUPEES	(AUDITED) JUNE 30 2015 RUPEES
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
<i>Authorized capital</i>		
6,500,000 (June 30, 2015: 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>2,550,000,000</u>	2,550,000,000
Accumulated profit	<u>74,823,455</u>	64,520,677
TOTAL EQUITY	<u>2,689,143,455</u>	<u>2,678,840,677</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances - Secured	<u>1,027,450,325</u>	1,063,743,895
Deferred liabilities	<u>187,186,883</u>	179,777,196
	<u>1,214,637,208</u>	1,243,521,091
CURRENT LIABILITIES		
Trade and other payables	<u>360,322,204</u>	347,090,856
Accrued interest/mark-up	<u>27,344,219</u>	30,427,313
Short term borrowings - Secured	<u>92,000,000</u>	380,500,000
Current portion of non-current liabilities	<u>281,558,836</u>	280,491,820
	<u>761,225,259</u>	1,038,509,989
TOTAL LIABILITIES	<u>1,975,862,467</u>	<u>2,282,031,080</u>
CONTINGENCIES AND COMMITMENTS	4	-
TOTAL EQUITY AND LIABILITIES	<u>4,665,005,922</u>	<u>4,960,871,757</u>

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

MOHAMMAD AMIN
Chief Executive

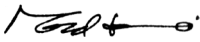
Karachi: 28th October, 2015



BLESSED TEXTILES LIMITED

Condensed Interim Balance Sheet (Un-Audited) As At September 30, 2015

		(UN-AUDITED) SEPTEMBER 30 2015 RUPEES	(AUDITED) JUNE 30 2015 RUPEES
	Note		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,028,561,585	3,052,232,508
Long term deposits - <i>Unsecured, Considered good</i>		14,168,095	14,154,095
		3,042,729,680	3,066,386,603
CURRENT ASSETS			
Stores, spares and loose tools		68,638,922	67,452,235
Stock in trade		831,932,114	1,186,679,255
Trade debts		316,125,166	234,589,526
Advances, prepayments and other receivables		49,113,674	61,757,212
Sales tax refundable		56,728,880	61,336,417
Income tax refundable		204,699,896	208,663,773
Bank balances		78,217,880	57,187,026
		1,605,456,532	1,877,665,444
Non-current assets held for sale	6	16,819,710	16,819,710
TOTAL ASSETS		4,665,005,922	4,960,871,757


MOHAMMAD SALIM
 Director



BLESSED TEXTILES LIMITED

Condensed Interim Profit And Loss Account (Un-Audited) For The First Quarter Ended September 30, 2015

	Note	SEPTEMBER 30 2015 RUPEES	SEPTEMBER 30 2014 RUPEES
Sales - net		1,594,469,804	2,147,299,710
Cost of sales		1,475,381,379	1,974,615,023
Gross profit		119,088,425	172,684,687
Selling and distribution expenses		30,545,464	45,251,692
Administrative and general expenses		26,166,536	27,002,002
		56,712,000	72,253,694
		62,376,425	100,430,993
Other income		283,755	2,324,282
Operating profit		62,660,180	102,755,275
Finance cost		33,601,825	57,466,320
Other charges		2,849,101	3,787,479
		36,450,926	61,253,799
Profit before taxation		26,209,254	41,501,476
Provision for taxation	7		
Current taxation		15,906,476	21,398,158
Profit after taxation		10,302,778	20,103,318
Earnings per share - basic and diluted		1.60	3.13

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

MOHAMMAD AMIN
Chief Executive

MOHAMMAD SALIM
Director

Karachi: 28th October, 2015



BLESSED TEXTILES LIMITED

**Condensed Interim Statement of Other Comprehensive Income (Un-Audited)
For The First Quarter Ended September 30, 2015**

	<i>(Un-audited)</i> SEPTEMBER 30 2015 RUPEES	<i>(Un-audited)</i> SEPTEMBER 30 2014 RUPEES
Profit after taxation	10,302,778	20,103,318
Other comprehensive income	-	-
Total comprehensive income	<u>10,302,778</u>	<u>20,103,318</u>

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

MOHAMMAD AMIN
Chief Executive

MOHAMMAD SALIM
Director

Karachi: 28th October, 2015



BLESSED TEXTILES LIMITED

Condensed Interim Cash Flow Statement (Un-Audited) For The First Quarter Ended September 30, 2015

	SEPTEMBER 30 2015 RUPEES	SEPTEMBER 30 2014 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	26,209,254	41,501,476
Adjustments for non-cash and other items		
Interest / markup on borrowings	29,871,399	52,287,590
Gain on disposal of property, plant and equipment	-	(2,282,614)
Provision for employees retirement benefits	8,760,000	7,596,000
Depreciation	78,000,000	81,900,000
	116,631,399	139,500,976
Operating profit before changes in working capital	142,840,653	181,002,452
Changes in working capital		
Stores, spares and loose tools	(1,186,687)	(3,755,974)
Stock in trade	354,747,141	582,160,403
Trade debts	(81,535,640)	(45,117,145)
Advances, prepayments and other receivables	12,643,538	(60,592,068)
Sales tax refundable	4,607,537	1,679,538
Long term deposits	(14,000)	100,000
Trade and other payables	13,231,348	(17,155,350)
Long term payables	593,562	459,412
	303,086,799	457,778,816
Cash generated from operations	445,927,452	638,781,268
Payments for:		
Employees retirement benefits	(1,943,875)	(2,204,757)
Interest/markup	(32,954,493)	(55,915,674)
Income tax	(11,942,599)	33,113,844
Net used in operating activities	399,086,485	613,774,681



BLESSED TEXTILES LIMITED

Condensed Interim Cash Flow Statement (Un-Audited) For The First Quarter Ended September 30, 2015

	SEPTEMBER 30 2015 RUPEES	SEPTEMBER 30 2014 RUPEES
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(54,329,077)	(54,645,147)
Proceeds from disposal of property, plant and equipment	-	8,328,000
Net cash used in investing activities	(54,329,077)	(46,317,147)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances obtained	-	268,918,249
Repayment of long term finances	(35,226,554)	(317,138,594)
Net (decrease) in short term borrowings	(288,500,000)	(451,275,938)
Net cash generated from financing activities	(323,726,554)	(499,496,283)
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,030,854	67,961,251
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	57,187,026	59,251,067
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	78,217,880	127,212,318

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

MOHAMMAD AMIN
Chief Executive

MOHAMMAD SALIM
Director

Karachi: 28th October, 2015



BLESSED TEXTILES LIMITED

Condensed Interim Statement of Changes In Equity (Un-Audited) For The First Quarter Ended September 30, 2015

	Issued subscribed and paid-up capital	General reserve	Accumulated profit	Total equity
	Rupess	Rupess	Rupess	Rupess
Balance as at July 01, 2014 - Audited	64,320,000	2,500,000,000	54,705,362	2,619,025,362
Comprehensive income				
Profit after taxation	-	-	20,103,318	20,103,318
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	20,103,318	20,103,318
Balance as at September 30, 2014 - Un-audited	64,320,000	2,500,000,000	74,808,680	2,639,128,680
Comprehensive income				
Profit after taxation	-	-	61,897,312	61,897,312
Other comprehensive income	-	-	(6,105,315)	(6,105,315)
Total comprehensive income	-	-	55,791,997	55,791,997
Transaction with owners				
Final dividend @ 25% i.e. Rs. 2.5 per ordinary share	-	-	(16,080,000)	(16,080,000)
Profit transferred to general reserve	-	50,000,000	(50,000,000)	-
	-	50,000,000	(66,080,000)	(16,080,000)
Balance as at June 30, 2015 - Audited	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 - Un-audited	<u>64,320,000</u>	<u>2,550,000,000</u>	<u>74,823,455</u>	<u>2,689,143,455</u>

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

MOHAMMAD AMIN
Chief Executive

MOHAMMAD SALIM
Director

Karachi: 28th October, 2015



BLESSED TEXTILES LIMITED

Notes to the Condensed Interim Financial Information (Un-audited) For The First Quarter Ended September 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 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, 2015.

The comparative interim balance sheet as at June 30, 2015 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, 2015 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.

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, 2015. However, the Company has applied the following new accounting policies for transactions, other events and conditions that did not occur previously

BLESSED TEXTILES LIMITED

Notes to the Condensed Interim Financial Information (Un-audited) For The First Quarter Ended September 30, 2015

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, 2015.

	<i>Note</i>	September 30, 2015	June 30, 2015
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	2,947,391,060	3,025,391,060
Capital work in progress		81,170,525	26,841,448
		<u>3,028,561,585</u>	<u>3,052,232,508</u>

5.1 Operating fixed assets

Net book value at the beginning of the period/year	3,025,391,060	3,046,157,844
Additions during the period/year		
Freehold land	-	23,951,971
Factory buildings	-	109,828,213
Plant and machinery	-	117,333,406
Equipment and other assets	-	1,125,000
Electric installation	-	88,017,643
Vehicles	-	2,097,930
	-	342,354,163
Net book value of assets disposed during the period/year	-	(40,395,274)
Depreciation for the period/year	(78,000,000)	(322,725,673)
		<u>3,025,391,060</u>
Net book value at the end of the period/year	<u>2,947,391,060</u>	<u>3,025,391,060</u>

6 NON-CURRENT ASSETS HELD FOR SALE

These represent interest in land acquired for re-sale. The sale is expected to be completed within the twelve months from the reporting date.

7 PROVISION FOR TAXATION

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

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

8 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.



BLESSED TEXTILES LIMITED

Notes to the Condensed Interim Financial Information (Un-audited) For The First Quarter Ended September 30, 2015

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

		Quarter ended	
		September 30, 2015	September 30, 2014
		Rupees (Un-Audited)	Rupees (Un-Audited)
8.1 Transactions with related parties			
Nature of relationship	Nature of transaction		
Associated companies	Purchases	40,798,550	211,318,051
	Sales	196,359,562	76,883,256
	Service rendered	51,139,230	-
	Service received	75,000	75,000
	Purchase of electricity	132,100,742	99,997,097

8.2 Balances with related parties

There are no balances with related parties as at the reporting date.

9 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, 2015 and for the quarter then ended is as follows:

	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	-	-	21,463,821	21,463,821

	Quarter ended			
	September 30, 2014			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Revenue from external customers	1,613,645,895	533,653,815	-	2,147,299,710
Inter-segment revenues	23,465,891	-	18,764,023	42,229,914

BLESSED TEXTILES LIMITED

**Notes to the Condensed Interim Financial Information (Un-audited)
For The First Quarter Ended September 30, 2015**

As at September 30, 2015

	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment assets	3,531,098,669	790,429,044	67,881,338	275,596,871	4,665,005,922

As at June 30, 2015

	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment assets	3,842,380,646	764,817,023	69,519,803	284,154,285	4,960,871,757

As at September 30, 2015

	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment liabilities	236,068,841	94,551,066	46,896,553	1,598,346,007	1,975,862,467

As at June 30, 2015

	Spinning Rupees	Weaving Rupees	Power Rupees	Un-allocated Rupees	Total Rupees
Segment liabilities	226,367,234	86,785,750	46,487,667	1,922,390,429	2,282,031,080

10 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.

11 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.

12 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, 2015.

13 GENERAL

13.1 There are no other significant activities since June 30, 2015 affecting the interim financial information.

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

13.3 Figures have been rounded off to the nearest Rupee.



MOHAMMAD AMIN
Chief Executive



MOHAMMAD SALIM
Director

Karachi: 28th October, 2015

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