



of Companies

HALF YEARLY ACCOUNTS
2019-2020
(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, 2019.

Significant financial performance for the half year ended December 31, 2019;

Profit after tax for the half year ended December 31, 2019 is PKR 321.555 million as compared to PKR 207.894 million for the corresponding period ended December 31, 2018.

Earnings per share for the half year ended December 31, 2019 is PKR 49.99 (December 2018: PKR 32.32).

Break-up value of the share as on December 31, 2019 is PKR 614.01 (June 2019: PKR 583.81).

The current ratio for half year ended December 31, 2019 is 2.38 (June 30, 2019: 1.67).

Impediments to the textile sector

The textile industry is a significant contributor to our national economy, encompassing both small and large-scale operations besides being enormous in terms of its output, production and employment in the country.

Being a huge sector, its problems are also complex and the sector suffers from a host of constraints. These include low spending on research, lack of certified seeds, low yields of crops, broken supply chain, shallow value-addition base, scarcity of irrigation water and skilled farm labor, rudimentary farm practices, lack of marketing infrastructure, ever-rising cost of inputs, insufficient access to information and a lack of access to formal finance.

In order to rejuvenate the overall agriculture sector, the government has decided to recourse towards global institution, Asian Development Bank, besides seeking assistance from China on the agricultural cooperation framework under China-Pakistan Economic Corridor. This will definitely help Pakistan to benefit from Chinese experience in the agriculture sector to find out sustainable solutions to key agricultural problems like low yield of crops and livestock, pre- and post-harvest wastage and poor marketing.

We suggest agriculture being a provincial subject is supposed to be handled with political wisdom and not with political naivety or expediency and the government must recourse for some tangible and lasting measures rather opting the quick fixes.

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



Mohammad Amin

(Chief Executive)

Karachi: February 26, 2020

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, 2019 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, 2019 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 26, 2020**
Place: **LAHORE**




BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

	Note	December 31, 2019	June 30, 2019
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-audited)</i>	<i>(Audited)</i>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
6,500,000 (June 30, 2019: 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		3,500,000,000	3,500,000,000
Accumulated profit		384,969,834	190,768,762
TOTAL EQUITY		3,949,289,834	3,755,088,762
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finances		1,629,000,994	1,600,161,851
Long term payables	6	230,351,248	226,379,287
Employees retirement benefits		120,184,225	118,103,558
Deferred taxation		243,408,108	243,408,108
		2,222,944,575	2,188,052,804
CURRENT LIABILITIES			
Trade and other payables		631,643,786	544,232,849
Unclaimed dividend		5,798,162	5,053,216
Accrued interest/markup		52,039,442	75,540,323
Short term borrowings		628,232,076	2,190,946,621
Current portion of non-current liabilities		355,646,466	369,637,092
		1,673,359,932	3,185,410,101
TOTAL LIABILITIES		3,896,304,507	5,373,462,905
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		7,845,594,341	9,128,551,667

The annexed notes from 1 to 16 form an integral part of these interim financial statements.


CHIEF EXECUTIVE
February 26, 2020


DIRECTOR


CHIEF FINANCIAL OFFICER

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

	<i>Note</i>	December 31, 2019 <i>Rupees</i> <i>(Un-audited)</i>	June 30, 2019 <i>Rupees</i> <i>(Audited)</i>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,856,855,598	3,781,059,749
Long term deposits		14,394,095	14,394,095
		3,871,249,693	3,795,453,844
CURRENT ASSETS			
Stores, spares and loose tools		93,745,454	93,566,497
Stock in trade		2,316,429,419	3,245,348,436
Trade debts		757,195,755	971,214,665
Advances, deposits, prepayments and other receivables		187,992,043	149,907,892
Sales tax refundable		138,618,190	215,340,953
Advance income tax		339,943,141	355,547,385
Cash and bank balances		140,420,646	302,171,995
		3,974,344,648	5,333,097,823
TOTAL ASSETS		7,845,594,341	9,128,551,667

The annexed notes from 1 to 16 form an integral part of these interim financial statements.



CHIEF EXECUTIVE
February 26, 2020



DIRECTOR



CHIEF FINANCIAL OFFICER

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

Note	Six month ended		Three month ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Rupees	Rupees	Rupees	Rupees
Sales - net	6,417,442,840	5,617,153,395	3,426,357,511	2,863,133,859
Cost of sales	5,658,852,196	4,990,803,312	2,964,608,462	2,537,147,285
Gross profit	758,590,644	626,350,083	461,749,049	325,986,574
Distribution cost	115,997,435	105,329,122	62,176,869	47,612,355
Administrative expenses	75,005,318	62,097,591	37,235,370	31,751,560
	191,002,753	167,426,713	99,412,239	79,363,915
Other income	567,587,891	458,923,370	362,336,810	246,622,659
	3,227,586	2,577,885	739,880	1,251,196
Operating profit	570,815,477	461,501,255	363,076,690	247,873,855
Finance cost	140,446,921	168,130,635	65,701,803	95,880,738
Other expenses	28,331,108	20,287,144	17,936,660	10,584,765
	168,778,029	188,417,779	83,638,463	106,465,503
Profit before taxation	402,037,448	273,083,476	279,438,227	141,408,352
Provision for taxation	9 80,482,726	65,189,487	42,465,272	34,698,543
Profit after taxation	321,554,722	207,893,989	236,972,955	106,709,809
Earnings per share - basic and diluted	49.99	32.32	36.84	16.59

The annexed notes from 1 to 16 form an integral part of these interim financial statements.


CHIEF EXECUTIVE
February 26, 2020


DIRECTOR


CHIEF FINANCIAL OFFICER

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

	Six month ended		Three month ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Profit after taxation	321,554,722	207,893,989	236,972,955	106,709,809
Other comprehensive income	-	-	-	-
Total comprehensive income	321,554,722	207,893,989	236,972,955	106,709,809

The annexed notes from 1 to 16 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 MONTH PERIOD ENDED DECEMBER 31, 2019

	Share capital	Revenue reserves		Total equity
	Issued	General reserve	Accumulated profit	
	subscribed and paid-up capital			
	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2018 - Audited	64,320,000	3,000,000,000	187,484,648	3,251,804,648
Comprehensive income				
Profit after taxation	-	-	207,893,989	207,893,989
Other comprehensive income	-	-	-	-
	-	-	207,893,989	207,893,989
Transaction with owners				
Final dividend @ 230% i.e. Rs. 23.00 per ordinary share	-	-	(147,936,000)	(147,936,000)
Balance as at December 31, 2018 - Un-audited	64,320,000	3,000,000,000	247,442,637	3,311,762,637
Balance as at January 01, 2019 - Un-audited	64,320,000	3,000,000,000	247,442,637	3,311,762,637
Comprehensive income				
Profit after taxation	-	-	427,530,784	427,530,784
Other comprehensive income	-	-	15,795,341	15,795,341
Total comprehensive income	-	-	443,326,125	443,326,125
Transaction with owners				
Profit transferred to general reserve	-	500,000,000	(500,000,000)	-
Balance as at June 30, 2019 - Audited	64,320,000	3,500,000,000	190,768,762	3,755,088,762
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

The annexed notes from 1 to 16 form an integral part of these interim financial statements.


CHIEF EXECUTIVE

February 26, 2020


DIRECTOR



CHIEF FINANCIAL OFFICER

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

	Six month ended	
	December 31, 2019	December 31, 2018
	<i>Rupees</i>	<i>Rupees</i>
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	402,037,448	273,083,476
Adjustments for non-cash and other items		
Finance cost	140,446,921	168,130,635
(Gain)/loss on disposal of property, plant and equipment	(300,897)	47,471
Provision for employees retirement benefits	19,200,000	18,420,000
Depreciation	188,400,000	180,846,000
	347,746,024	367,444,106
Operating profit before changes in working capital	749,783,472	640,527,582
Changes in working capital		
Stores, spares and loose tools	(178,957)	(10,191,544)
Stock in trade	928,919,017	(14,785,005)
Trade debts	214,018,910	315,579,529
Advances, deposits, prepayments and other receivables	(38,084,151)	(38,641,955)
Sales tax refundable	76,722,763	(50,935,033)
Trade and other payables	87,410,937	2,430,591
Long term payables	3,971,961	22,161,935
	1,272,780,480	225,618,518
Net cash generated from operations	2,022,563,952	866,146,100
Payments for:		
Employees retirement benefits	(17,119,333)	(14,974,780)
Interest/markup/profit	(163,947,802)	(155,351,460)
Income tax	(64,878,482)	(69,011,162)
Net cash generated from operating activities	1,776,618,335	626,808,698
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(264,573,952)	(235,117,626)
Proceeds from disposal of property, plant and equipment	679,000	10,407,000
Long term deposit made	-	(250,000)
Net cash used in investing activities	(263,894,952)	(224,960,626)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances obtained	199,217,000	172,191,000
Repayment of long term finances	(184,368,483)	(142,026,816)
Net decrease in short term borrowings	(1,562,714,545)	(198,627,301)
Dividend paid	(126,608,704)	(146,729,091)
Net cash used in financing activities	(1,674,474,732)	(315,192,208)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(161,751,349)	86,655,864
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	302,171,995	139,827,966
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	140,420,646	226,483,830

The annexed notes from 1 to 16 form an integral part of these interim financial statements.


CHIEF EXECUTIVE
February 26, 2020


DIRECTOR


CHIEF FINANCIAL OFFICER

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

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, 2019.

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, 2019 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, 2018 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, 2019 and December 31, 2018 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 26, 2020.

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

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

The following new and revised standards, interpretations and amendments are effective in the current period 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.

3.1 IFRS 16 - Leases (2016)

IFRS 16 - Leases (2016) specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less and the underlying asset is of low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

3.2 IFRIC 23 - Uncertainty over Income Tax Treatments

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively
- Assumptions for taxation authorities' examinations
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- The effect of changes in facts and circumstances

3.3 Applying IFRS 9 - Financial Instruments with IFRS 4 - Insurance Contracts (Amendments to IFRS 4 - Insurance Contracts)

IFRS 4 Insurance Contracts have been amended to provide two options for entities that issue insurance contracts within the scope of IFRS 4:

- an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;
- an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

3.4 Prepayment Features with Negative Compensation (Amendments to IFRS 9 - Financial Instruments)

IFRS 9 - Financial Instruments have been amended regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

3.5 Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28 - Investments in Associates and Joint Ventures)

IAS 28 - Investments in Associates and Joint Ventures have been amended to clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

3.6 Annual Improvements to IFRS Standards 2015 – 2017 Cycle

The annual improvements have made amendments to the following standards:

- **IFRS 3 - Business Combinations and IFRS 11 - Joint Arrangements** - The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- **IAS 12 - Income Taxes** - The amendments clarify that the requirements in the former paragraph 52B (to recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognized) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

- **IAS 23 - Borrowing Costs** - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

3.7 Plan Amendment, Curtailment or Settlement (Amendments to IAS 19 - Employee Benefits)

The amendments in Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) are:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.
- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

	Effective date (annual periods beginning on or after)
IFRS 17 - Insurance contracts (2017)	January 01, 2021
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
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Definition of a Business (Amendments to IFRS 3 - Business Combinations)	January 01, 2020
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)	January 01, 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures)	January 01, 2020
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	
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, 2019.

	Note	December 31, 2019	June 30, 2019
		Rupees	Rupees
		(Un-Audited)	(Audited)
6 LONG TERM PAYABLES			

These include the following:

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

Infrastructure Cess	6.1	102,177,709	98,205,748
Gas Infrastructure Development Cess	6.2	128,173,539	128,173,539
		230,351,248	226,379,287

6.1 Infrastructure tax

Sindh Infrastructure Cess was levied by Excise and Taxation Officer ['ETO'] Government of Sindh on movement of imported goods entering the Sindh Province from outside Pakistan and Punjab Infrastructure Tax levied by ETO Government of Punjab on movement of imported goods entering the Punjab Province from outside Pakistan. The Company has obtained stay on the recovery of these levies by respective ETOs. During the pendency of final judgement on this, the Honourable Courts granting stay have directed the petitioners to pay 50% of liability for levies to ETOs and to arrange bank guarantees for the remaining amount in favour of ETOs. The liability represents 50% of levies against which guarantees have been arranged in favour of ETO.

6.2 Gas Infrastructure Development Cess

Gas Infrastructure Development Cess ['GIDC'] was levied by Sui Northern Gas Pipelines Limited ['SNGPL'] and Sui Southern Gas Pipelines Limited ['SSGCL']. The Company and others have filed a suit before the Lahore High Court ['LHC'] and Sindh High Court ['SHC'] challenging the levy. The LHC & SHC have granted the stay in favour of the Company and directed SNGPL and SSGC to avoid collection of GIDC. The liability represents amount of GIDC payable against which the Company has obtained stay order.

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 Bills discounted/negotiated as at the reporting date amount to Rs. 659.834 million (June 30, 2019: Rs. 1,233.61 million).

7.1.2 There is no significant change in the status of remaining contingencies since June 30, 2019.

7.2 Commitments

	Note	December 31, 2019	June 30, 2019
		Rupees	Rupees
		(Un-audited)	(Audited)
7.2.1	Commitments under irrevocable letters of credit:	4,921,412,387	389,012,535

8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1	3,557,905,452	3,744,096,165
Capital work in progress		298,950,146	36,963,584
		3,856,855,598	3,781,059,749

8.1 Operating fixed assets

Net book value at the beginning of the period/year		3,744,096,165	3,592,585,178
Additions during the period/year			
Freehold land		-	-
Factory buildings		-	33,375,046
Plant and machinery		-	471,008,337
Equipment and other assets		-	4,925,397
Electric installation		-	12,961,169
Furniture and fixtures		-	732,810
Office equipments		-	6,187,834
Vehicles		2,587,390	15,754,569
		2,587,390	544,945,162
Net book value of assets disposed during the period/year		(378,103)	(18,747,479)
Depreciation for the period/year		(188,400,000)	(374,686,696)
Net book value at the end of the period/year		3,557,905,452	3,744,096,165

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

	Note	Six month ended		Three month ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
		Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)
9 PROVISION FOR TAXATION					
Current taxation	9.1	80,482,726	65,189,487	42,465,272	34,698,543
Deferred taxation	9.2	-	-	-	-
		80,482,726	65,189,487	42,465,272	34,698,543

9.1 Provision for current tax has been in accordance with the requirements of section 113 and 169 of the Income Tax Ordinance, 2001.

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

10 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, 2019	December 31, 2018
	Rupees (Un-Audited)	Rupees (Un-Audited)

10.1 Transactions with related parties

Nature of relationship	Nature of transaction		
Associated companies	Purchases	149,925,927	137,141,389
	Sales	723,056,525	667,049,815
	Service received	154,500	154,500
	Purchase of electricity	1,310,121	86,101,192
Key management personnel	Short term employee benefits	13,000,000	11,700,000

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

11 FINANCIAL INSTRUMENTS

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

	December 31, 2019	June 30, 2019
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
Financial assets		
<i>Cash in hand</i>	48,661	-
<i>Financial assets at amortized cost</i>		
Long term deposits	14,394,095	14,394,095
Trade debts	757,195,755	971,214,665
Advances to employees	13,434,049	16,981,488
Security deposits	107,468,286	97,629,246
Bank balances	140,420,646	302,171,995
	1,032,912,831	1,402,391,489
	1,032,961,492	1,402,391,489
	December 31, 2019	June 30, 2019
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
Financial liabilities		
<i>Financial liabilities at amortized cost</i>		
Long term finances	1,984,647,460	1,969,798,943
Short term borrowings	628,232,076	2,190,946,621
Accrued interest/markup	52,039,442	75,540,323
Trade creditors	326,081,042	172,483,346
Accrued liabilities	227,992,211	286,681,689
Unclaimed dividend	5,798,162	5,053,216
	3,224,790,393	4,700,504,138

12 FAIR VALUE MEASUREMENTS

12.1 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.

12.2 Assets and liabilities other than financial instruments.

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

13 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, 2019		
Spinning	Weaving	Total
<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
<i>(Un-audited)</i>	<i>(Un-audited)</i>	<i>(Un-audited)</i>

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

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

Six month ended December 31, 2018

	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Total Rupees (Un-audited)
Revenue from external customers	4,079,715,742	1,537,437,653	5,617,153,395
Inter-segment transfers	168,604,300	-	168,604,300
Segment results	346,433,787	115,067,468	461,501,255

As at December 31, 2019

	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment assets	5,554,770,283	1,936,486,822	354,337,236	7,845,594,341

As at June 30, 2019

	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment assets	7,056,471,766	1,702,138,421	369,941,480	9,128,551,667

As at December 31, 2019

	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment liabilities	626,587,326	301,667,170	2,968,050,011	3,896,304,507

As at June 30, 2019

	Spinning Rupees (Audited)	Weaving Rupees (Audited)	Un-allocated Rupees (Audited)	Total Rupees (Audited)
Segment liabilities	618,718,272	202,603,522	4,552,141,111	5,373,462,905

14 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company in their meeting held on February 26, 2020 has approved interim cash dividend on ordinary shares at Rs. 23.40 per ordinary share of Rs. 10 each. There are no other significant events after the reporting period that may require adjustment of and/or disclosure in these interim financial statements.

15 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.

16 GENERAL

16.1 There are no other significant activities since June 30, 2019 affecting the interim financial statements.

16.2 Figures have been rounded off to the nearest Rupee.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019



CHIEF EXECUTIVE
February 26, 2020



DIRECTOR



CHIEF FINANCIAL OFFICER