



*of Companies*

**THIRD QUARTERLY ACCOUNTS  
2018-2019  
(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 nine months ended March 31, 2019.

### Significant financial performance of the nine months ended March 31, 2019;

Profit after tax for the nine months ended March 31, 2019 is PKR 357.223 million as compared to PKR 264.613 million for the corresponding period ended March 31, 2018.

Earnings per share for the nine months ended March 31, 2019 is PKR 55.54 (PKR 41.14; March 2018).

Break-up value of the share as on March 31, 2019 is PKR 538.10 (PKR 505.57; June 2018).

### Upcoming view of textile sector

There has been a lackluster performance of the cotton production and its acreage in the country have been declining steadily over the years. A bumper crop of 15.000 million bales was cultivated in 2011-12, which declined to about 14.000 million bales in 2014-15 and further to 9.9 million bales in 2015-16. It recovered somewhat to 11.9 million bales in 2017-18 but is again estimated to decline to little over 10 million bales during the current year, showing a steep fall of 5 million bales over the last seven years. According to the latest figures issued by the Pakistan Cotton Ginners Association (PCGA), cotton production up to 1st January, 2019 stood at 10.800 million bales as compared to 11.108 million bales in the corresponding period of last year. Notably, the fall in Sindh was less pronounced than Punjab despite severe shortage in water availability in the former province of Sindh at the initial stages of cotton crop. The major reasons for the fall in cotton production over the years have been declining areas under cotton cultivation, pest attacks, inadequate investment in breeding quality and variety of cotton seeds, outputs of inferior quality, excessive contamination in cotton produce and lower water availability.

There has been a decline of almost 34.44% in the cultivated area during 2011-12 to 2018-19 and the consistent decline in cotton output for an agriculture focused country like Pakistan is not a good sign and may pose some serious threats for the overall economy of the country, in particular cotton which one of the major cash crops for the farmers and the shortfall would obviously depress the farmers' standards of living. Besides, absorbing a bulk of labour force both in the urban and rural areas of the country and is a major foreign exchange earner and stimulates growth in other sectors.

Unfortunately, the output of cotton production has been even less than domestic textile industry's needs of 13.2 million bales in most of the years, necessitating imports in large quantities and expenditure of precious amount of foreign exchange. Two key factors seem to have contributed to this poor performance. Firstly, attractive profitability of competing crops has led to shifting in area under cotton cultivation over the last several years. Secondly, per hectare yield of cotton continues to be poor, inducing farmers to cultivate other crops.

We strongly emphasized the present government to existing policy toward textile needs radical changes to enhance cotton production as per industry requirement of the country.

### 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



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**Mohammad Amin**

(Chief Executive)


Karachi: April 25, 2019


# BLESSED TEXTILES LIMITED


## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	Note	March 31, 2019 Rupees (Un-audited)	June 30, 2018 Rupees (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
6,500,000 (June 30, 2018: 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		3,000,000,000	3,000,000,000
Accumulated profits		396,770,230	187,484,648
<b>TOTAL EQUITY</b>		<b>3,461,090,230</b>	<b>3,251,804,648</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - <i>secured</i>		1,669,061,830	1,543,019,632
Deferred liabilities	6	563,987,445	529,948,362
		<b>2,233,049,275</b>	<b>2,072,967,994</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		416,736,446	487,985,016
Unclaimed dividend		5,045,842	3,877,973
Accrued interest/markup/profit		45,224,645	38,781,113
Short term borrowings - <i>secured</i>		2,551,796,382	3,146,462,335
Current portion of non-current liabilities		376,115,426	303,439,273
		<b>3,394,918,741</b>	<b>3,980,545,710</b>
<b>TOTAL LIABILITIES</b>		<b>5,627,968,016</b>	<b>6,053,513,704</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,089,058,246</b>	<b>9,305,318,352</b>

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

  
CHIEF EXECUTIVE  
MOHAMMAD AMIN  
Karachi: April 25, 2019

  
CHIEF FINANCIAL OFFICER  
ABDUL BASIT JANJUA


  
DIRECTOR  
MOHAMMAD SALIM


# BLESSED TEXTILES LIMITED


## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	Note	March 31, 2019	June 30, 2018
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-audited)</i>	<i>(Audited)</i>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	3,836,443,416	3,595,552,344
Long term deposits - <i>unsecured, considered good</i>		14,394,095	14,144,095
		<b>3,850,837,511</b>	3,609,696,439
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		93,763,127	71,765,436
Stock in trade		3,339,792,508	3,893,102,492
Trade debts		905,680,690	926,183,117
Advances, deposits, prepayments and other receivables		154,089,236	150,108,121
Sales tax refundable		193,686,827	180,087,987
Advance income tax		343,816,590	334,546,794
Cash and bank balances		207,391,757	139,827,966
		<b>5,238,220,735</b>	5,695,621,913
<b>TOTAL ASSETS</b>		<b>9,089,058,246</b>	<b>9,305,318,352</b>

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

  
CHIEF EXECUTIVE  
MOHAMMAD AMIN  
Karachi: April 25, 2019

  
CHIEF FINANCIAL OFFICER  
ABDUL BASIT JANJUA


  
DIRECTOR  
MOHAMMAD SALIM

# BLESSED TEXTILES LIMITED


## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	Nine month ended		Three month ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Rupees	Rupees	Rupees	Rupees
<b>Sales - net</b>		<b>8,769,233,769</b>	7,518,013,765	<b>3,152,080,374</b>	2,718,236,580
Cost of sales		<b>7,749,788,809</b>	6,766,482,890	<b>2,758,985,497</b>	2,432,735,022
<b>Gross profit</b>		<b>1,019,444,960</b>	751,530,875	<b>393,094,877</b>	285,501,558
Selling and distribution expenses		<b>169,139,224</b>	153,216,273	<b>63,810,102</b>	62,178,562
Administrative and general expenses		<b>96,283,028</b>	88,352,644	<b>34,185,437</b>	28,256,995
		<b>265,422,252</b>	241,568,917	<b>97,995,539</b>	90,435,557
Other income		<b>754,022,708</b>	509,961,958	<b>295,099,338</b>	195,066,001
		<b>4,408,365</b>	2,774,354	<b>1,830,480</b>	939,817
<b>Operating profit</b>		<b>758,431,073</b>	512,736,312	<b>296,929,818</b>	196,005,818
Finance cost		<b>265,837,860</b>	127,556,505	<b>97,707,225</b>	48,434,982
Other charges		<b>33,959,281</b>	26,590,953	<b>13,672,137</b>	10,127,410
		<b>299,797,141</b>	154,147,458	<b>111,379,362</b>	58,562,392
<b>Profit before taxation</b>		<b>458,633,932</b>	358,588,854	<b>185,550,456</b>	137,443,426
Provision for taxation	9	<b>101,412,350</b>	93,975,172	<b>36,222,863</b>	33,977,957
<b>Profit after taxation</b>		<b>357,221,582</b>	<b>264,613,682</b>	<b>149,327,593</b>	<b>103,465,469</b>
<b>Earnings per share - basic and diluted</b>		<b>55.54</b>	<b>41.14</b>	<b>23.22</b>	<b>16.09</b>

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

  
CHIEF EXECUTIVE  
MOHAMMAD AMIN  
Karachi: April 25, 2019

  
CHIEF FINANCIAL OFFICER  
ABDUL BASIT JANJUA

  
DIRECTOR  
MOHAMMAD SALIM

# BLESSED TEXTILES LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine month ended		Three month ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Profit after taxation	357,221,582	264,613,682	149,327,593	103,465,469
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>357,221,582</u>	<u>264,613,682</u>	<u>149,327,593</u>	<u>103,465,469</u>

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



CHIEF EXECUTIVE  
MOHAMMAD AMIN  
Karachi: April 25, 2019



CHIEF FINANCIAL OFFICER  
ABDUL BASIT JANJUA




DIRECTOR  
MOHAMMAD SALIM


# BLESSED TEXTILES LIMITED


## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Share capital	Revenue reserves		Total equity
	Issued subscribed and paid-up capital	General reserve	Accumulated profit	
	Rupees	Rupees	Rupees	Rupees
<b>Balance as at July 01, 2017 - Audited</b>	64,320,000	2,800,000,000	108,958,561	2,973,278,561
<b>Comprehensive income</b>				
Profit after taxation	-	-	264,613,682	264,613,682
Other comprehensive income	-	-	-	-
	-	-	264,613,682	264,613,682
<b>Transaction with owners</b>				
Final dividend @ 153% i.e. Rs. 15.30 per ordinary share	-	-	(98,409,564)	(98,409,564)
<b>Balance as at March 31, 2018 - Un-audited</b>	64,320,000	2,800,000,000	275,162,679	3,139,482,679
<b>Balance as at April 01, 2018 - Un-audited</b>	64,320,000	2,800,000,000	275,162,679	3,139,482,679
<b>Comprehensive income</b>				
Profit after taxation	-	-	103,861,512	103,861,512
Other comprehensive income	-	-	8,460,457	8,460,457
<b>Total comprehensive income</b>	-	-	112,321,969	112,321,969
<b>Transaction with owners</b>				
Profit transferred to general reserve	-	200,000,000	(200,000,000)	-
<b>Balance as at June 30, 2018 - Audited</b>	64,320,000	3,000,000,000	187,484,648	3,251,804,648
<b>Balance as at July 01, 2018 - Audited</b>	64,320,000	3,000,000,000	187,484,648	3,251,804,648
<b>Comprehensive income</b>				
Profit after taxation	-	-	357,221,582	357,221,582
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	357,221,582	357,221,582
<b>Transaction with owners</b>				
Final dividend @ 230% i.e. Rs. 23 per ordinary share	-	-	(147,936,000)	(147,936,000)
<b>Balance as at March 31, 2019 - Un-audited</b>	64,320,000	3,000,000,000	396,770,230	3,461,090,230

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

  
CHIEF EXECUTIVE  
MOHAMMAD AMIN  
Karachi: April 25, 2019

  
CHIEF FINANCIAL OFFICER  
ABDUL BASIT JANJUA

  
DIRECTOR  
MOHAMMAD SALIM



# BLESSED TEXTILES LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine month ended	
	March 31, 2019	March 31, 2018
	Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	458,633,932	358,588,854
<b>Adjustments for non-cash and other items</b>		
Finance cost	265,837,860	127,556,505
Loss/(gain) on disposal of property, plant and equipment	3,945	(431,791)
Provision for employees retirement benefits	27,630,000	25,430,000
Depreciation	274,719,000	289,938,000
	568,190,805	442,492,714
<b>Operating profit before changes in working capital</b>	<b>1,026,824,737</b>	<b>801,081,568</b>
<b>Changes in working capital</b>		
Stores, spares and loose tools	(21,997,691)	(14,861,042)
Stock in trade	553,309,984	(874,554,532)
Trade debts	20,502,427	(184,608,872)
Advances, deposits, prepayments and other receivables	(3,981,115)	(8,541,262)
Sales tax refundable	(13,598,840)	72,250,163
Trade and other payables	(71,248,570)	152,732,515
Long term payables	28,523,964	25,805,713
	491,510,159	(831,777,317)
<b>Net cash generated from operations</b>	<b>1,518,334,896</b>	<b>(30,695,749)</b>
<b>Payments for:</b>		
Employees retirement benefits	(22,114,881)	(18,128,754)
Interest/markup/profit	(259,394,328)	(124,275,910)
Income tax	(110,682,146)	(53,300,047)
<b>Net cash generated from operating activities</b>	<b>1,126,143,541</b>	<b>(226,400,460)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(526,221,017)	(76,889,503)
Proceeds from disposal of property, plant and equipment	10,607,000	1,250,000
Long term deposit paid	(250,000)	-
<b>Net cash used in investing activities</b>	<b>(515,864,017)</b>	<b>(75,639,503)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term finances obtained	413,075,283	28,868,000
Repayment of long term finances	(214,356,932)	(150,728,532)
Net (decrease)/increase in short term borrowings	(594,665,953)	655,795,982
Dividend paid	(146,768,131)	(97,784,029)
<b>Net cash (used in) / generated from financing activities</b>	<b>(542,715,733)</b>	<b>436,151,421</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>67,563,791</b>	<b>134,111,458</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>139,827,966</b>	<b>35,442,494</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>207,391,757</b>	<b>169,553,952</b>

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

  
 CHIEF EXECUTIVE  
 MOHAMMAD AMIN

Karachi: April 25, 2019

  
 CHIEF FINANCIAL OFFICER  
 ABDUL BASIT JANJUA

  
 DIRECTOR  
 MOHAMMAD SALIM

# BLESSED TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 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 has 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, 2018.

#### 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

#### 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 April 25, 2019.

# BLESSED TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 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, unless specified otherwise, 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.

#### **IFRS 15 - Revenue from Contracts with Customers**

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customer.

- Identify the contract with customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contracts.
- Recognized revenue when (or as) the entity satisfies a performance obligation.

#### **Clarifications to IFRS 15 - Revenue from Contracts with Customers**

IFRS 15 - Revenue from Contracts with Customers have been amended to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

#### **IFRIC 22 - Foreign Currency Transactions and Advances Consideration**

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

#### **Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 - Share-based Payment)**

IFRS 2 - Share-based Payment have been amended to clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

#### **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.

#### **Transfers of Investment Property (Amendments to IAS 40 - Investment Property)**

IAS 40 - Investment Property have following amendments:

- Paragraph 57 have been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.
- The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.

# BLESSED TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

### Annual Improvements to IFRS Standards 2014–2016 Cycle (IFRS 1 - First-time Adoption of International Financial Reporting Standards and IAS 28 - Investments in Associates and Joint Ventures)

Annual improvements makes amendments to the following standards:

- IFRS 1 - Deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.
- IAS 28 - Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

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

	Effective date (reporting period / year ended on or after)
IFRS 9 - Financial Instruments (2014)	June 30, 2019
	Effective date (annual periods beginning on or after)
IFRS 16 - Leases (2016)	January 01, 2019
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
IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019
Prepayment Features with Negative Compensation (Amendments to IFRS 9 - Financial Instruments)	January 01, 2019
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28 - Investments in Associates and Joint Ventures)	January 01, 2019
Annual Improvements to IFRS Standards 2015 – 2017 Cycle	January 01, 2019
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19 - Employee Benefits)	January 01, 2019
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
Other than afore mentioned standards, interpretations and amendments, IABS 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 Defferal 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.

#### IFRS 9 - Financial Instruments

Finalised version of IFRS 9 - Financial Instruments: *Recognition and Measurement* which contains accounting requirement for financial instruments, replacing IAS 39 - Financial Instruments: *Recognition and Measurement*. The standard contains requirements in the following areas:

- **Classification and measurement:** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a ‘fair value through other comprehensive income’ category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity’s own credit risk.
- **Impairment:** The 2014 version of IFRS 9 introduces an ‘expected credit loss’ model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

# BLESSED TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

- **Hedge accounting:** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **Derecognition:** The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

### 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, 2018.

	March 31, 2019	June 30, 2018
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
<b>6 DEFERRED LIABILITIES</b>		
Employees retirement benefits	131,572,063	126,056,944
Long term payables - <i>Excise and Taxation</i>	87,170,946	73,370,210
Long term payables - <i>Gas Infrastructure Development Cess</i>	128,173,539	113,450,311
Deferred taxation	217,070,897	217,070,897
	<u>563,987,445</u>	<u>529,948,362</u>

### 7 CONTINGENCIES AND COMMITMENTS

#### 7.1 Contingencies

7.1.1 Bills discounted/negotiated as at the reporting date amount to Rs. 1,224.776 million (June 30, 2018: Rs. 613.268 million).

7.1.2 There is no significant change in the status of remaining contingencies since June 30, 2018.

#### 7.2 Commitments

	Note	March 31, 2019	June 30, 2018
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-audited)</i>	<i>(Audited)</i>
7.2.1 Commitments under irrevocable letters of credit:		<u>2,391,751,650</u>	<u>1,737,206,382</u>

### 8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1	3,320,332,442	3,592,585,178
Capital work in progress		516,110,974	2,967,166
		<u>3,836,443,416</u>	<u>3,595,552,344</u>

# BLESSED TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	<i>Note</i>	<b>March 31, 2019</b>	June 30, 2018		
		<i>Rupees</i>	<i>Rupees</i>		
		<i>(Un-audited)</i>	<i>(Audited)</i>		
<b>8.1 Operating fixed assets</b>					
Net book value at the beginning of the period/year		3,592,585,178	3,868,751,584		
Additions during the period/year					
Freehold land		-	2,601,500		
Factory buildings		-	46,250,418		
Plant and machinery		-	47,065,682		
Equipment and other assets		-	10,734,409		
Electric installation		-	430,000		
Furniture and fixtures		396,000	300,000		
Office equipments		-	1,254,876		
Vehicles		12,681,209	8,386,850		
		<b>13,077,209</b>	117,023,735		
Net book value of assets disposed during the period/year		<b>(10,610,945)</b>	(6,525,531)		
Depreciation for the period/year		<b>(274,719,000)</b>	(386,664,610)		
Net book value at the end of the period/year		<b>3,320,332,442</b>	3,592,585,178		
		Nine Month ended		Three month ended	
	<i>Note</i>	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>

## 9 PROVISION FOR TAXATION

Provision for taxation					
Current taxation	9.1	101,412,350	93,975,172	36,222,863	33,977,957
Deferred taxation	9.2	-	-	-	-
		<b>101,412,350</b>	<b>93,975,172</b>	<b>36,222,863</b>	<b>33,977,957</b>

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	N/A
Bhanero Energy Limited	Associated company	Common directorship	N/A
Admiral (Private) Limited	Associated company	Common directorship	N/A
Mohammad Amin	Key management personnel	Chief executive officer	4.39%
Adil Shakeel	Key management personnel	Director	6.91%
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:

# BLESSED TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine month ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees	Rupees	Rupees	Rupees
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)
<b>10.1 Transactions with related parties</b>				
<b>Nature of relationship Nature of transaction</b>				
Associated companies Purchases	226,125,697	404,380,543	88,984,308	165,715,192
Sales	973,552,048	874,731,696	306,502,233	266,536,372
Service received	231,750	231,750	77,250	77,250
Purchase of electricity	102,325,174	509,204,715	16,223,982	186,324,220
Key management personnel	17,550,000	17,550,000	5,850,000	5,850,000

### 11 FINANCIAL INSTRUMENTS

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

	Note	March 31, 2019	June 30, 2018
		Rupees	Rupees
		(Un-Audited)	(Audited)
<b>Financial assets</b>			
<b>Cash in hand</b>		218,683	-
<b>Loans and receivables</b>			
Long term deposits		14,394,095	14,144,095
Trade debts		905,680,690	926,183,117
Advances to employees		17,564,645	9,184,188
Security deposits		86,738,499	70,026,650
Bank balances		207,391,757	139,827,966
		1,231,769,686	1,159,366,016
		1,231,988,369	1,159,366,016
<b>Financial liabilities</b>			
<b>Financial liabilities at amortized cost</b>			
Long term finances		2,045,177,256	1,846,458,905
Short term borrowings		2,551,796,382	3,146,462,335
Accrued interest/markup		45,224,645	38,781,113
Trade creditors		118,089,962	225,895,934
Accrued liabilities		231,872,855	203,440,186
Unclaimed dividend		5,045,842	3,877,973
		4,997,206,942	5,464,916,446

### 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.

# BLESSED TEXTILES LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

### 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:

	Nine Month Period Ended March 31, 2019			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Total Rupees (Un-audited)	
Revenue from external customers	6,395,854,796	2,373,378,973	8,769,233,769	
Inter-segment transfers	208,758,620	-	208,758,620	
Segment results	491,816,940	266,614,133	758,431,073	
	Nine Month Period Ended March 31, 2018			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Total Rupees (Un-audited)	
Revenue from external customers	5,536,852,929	1,981,160,836	7,518,013,765	
Inter-segment transfers	171,466,393	-	171,466,393	
Segment results	332,692,181	180,044,131	512,736,312	
	As at March 31, 2019			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment assets	6,854,767,419	1,876,080,142	358,210,685	9,089,058,246
	As at March 31, 2018			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment assets	7,294,516,948	1,662,110,515	348,690,889	9,305,318,352
	As at March 31, 2019			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment liabilities	553,651,769	159,485,278	4,914,830,969	5,627,968,016
	As at June 30, 2018			
	Spinning Rupees (Audited)	Weaving Rupees (Audited)	Un-allocated Rupees (Audited)	Total Rupees (Audited)
Segment liabilities	501,257,156	256,037,021	5,296,219,527	6,053,513,704

### 14 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.

### 15 RECOVERABLE AMOUNTS AND IMPAIRMENT



# BLESSED TEXTILES LIMITED

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

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, 2018 affecting the interim financial statements.

16.2 Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE  
MOHAMMAD AMIN  
Karachi: April 25, 2019



CHIEF FINANCIAL OFFICER  
ABDUL BASIT JANJUA



DIRECTOR  
MOHAMMAD SALIM