



of Companies

**FIRST QUARTERLY ACCOUNTS
2010 - 2011
(UN - AUDITED)**

UMER GROUP OF COMPANIES

BLESSED TEXTILES LIMITED



BLESSED TEXTILES LIMITED

DIRECTORS' REVIEW

On behalf of the Board of Directors of your Company, I feel great pleasure in presenting the un-audited condensed interim financial statements of the company for the first quarter ended 30th September, 2010.

Salient features of the first quarter ended 30th September 2010 are as follows;

- Profit after tax for the quarter ended 30th September 2010 is PKR 106.876 million as against PKR 35.158 million of the corresponding quarter of last year.
- Earning per share for the quarter ended 30th September 2010 is PKR 16.62 (30th September 2009 PKR 5.47).
- Breakup value of the share as on 30th September 2010 is PKR 210.37 (30th June, 2010 PKR 193.76).

Future Outlook

The company's overall performance remained satisfactory and profitability of company has increased substantially as compared to previous year quarter

Future profitability depends on the direction of raw cotton prices and corresponding prices of yarn and fabric. Currently the raw cotton prices are volatile posture fluctuating cotton rates constantly. Currently cotton rate has broken the barrier of PKR 8,500 per maund.

Rising trend in inflation has so far been controlled through though monetary policy but it has severely affected business activities. Government should make efforts to bring KIBOR in single digit.

Interrupted power supply has significantly affected production efficiencies and resulted increases in per unit production cost. Besides the load shedding of electricity massive load shedding of gas in Punjab has been scheduled during December 2010 to February 2011 because export oriented textile sector has place on fourth priority level. In the absence of gas supply, we have to operate machinery through power generation based on furnace oil because currently WAPDA is not reliable source of electricity due to interrupted supply of electricity. If the machineries have to be operated on furnace oil then extra cost will have to be bear which will be a massive increase in power and fuel cost of company.

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

Acknowledgement

Board of directors acknowledge and appreciate the efforts of the employees and valuable support of the various Government Department and our Bankers.

On behalf of the Board
Mohammad Shaheen
Chief Executive

Karachi: 27th October , 2010



BLESSED TEXTILES LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2010

	Note	SEPTEMBER 2010 RUPEES	JUNE 2010 RUPEES
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 6,500,000 (June 2010: 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 reserves		<u>1,100,000,000</u>	1,100,000,000
Unappropriated profit		<u>188,836,407</u>	81,959,819
		<u>1,353,156,407</u>	<u>1,246,279,819</u>
Loan from sponsors		<u>89,742,478</u>	86,707,708
NON - CURRENT LIABILITIES			
Long-term financing - secured		<u>551,754,053</u>	464,762,053
Obligation under to finance lease		<u>32,674,299</u>	39,252,422
Employess retirement benefits		<u>41,231,775</u>	39,418,887
Long term payables		<u>19,733,871</u>	18,221,218
		<u>645,393,998</u>	<u>561,654,580</u>
CURRENT LIABILITIES			
Current portion of long term borrowings		<u>90,893,465</u>	201,172,296
Short-term borrowings - secured		<u>31,206,113</u>	110,000,000
Trade and other payables		<u>274,056,409</u>	188,358,388
Mark accrued on borrowings		<u>18,472,353</u>	15,340,800
		<u>414,628,340</u>	<u>514,871,484</u>
CONTINGENCIES AND COMMITMENTS	3	-	-
		<u>2,502,921,223</u>	<u>2,409,513,591</u>

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

Mohammad Shaheen
Chief Executive

Karachi: 27th October , 2010



BLESSED TEXTILES LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2010

ASSETS	Note	SEPTEMBER 2010 RUPEES	JUNE 2010 RUPEES
NON CURRENT ASSETS			
Property, plant and equipment	4	1,363,836,963	1,405,915,823
Capital work-in-progress		219,968,818	217,380,002
Long term deposits		8,128,385	8,128,385
Long term loans		3,993,786	4,736,810
		1,595,927,952	1,636,161,020
CURRENT ASSETS			
Stores, spare parts and loose tools		41,942,361	34,712,543
Stock in trade		510,795,506	525,224,173
Trade debts		188,331,566	87,597,012
Advances, deposits, prepayments and other receivable		74,750,905	45,482,332
Taxation		41,826,261	49,555,396
Cash & bank balances		49,346,672	30,781,115
		906,993,271	773,352,571
		<u>2,502,921,223</u>	<u>2,409,513,591</u>

Mohammad Salim
Director



BLESSED TEXTILES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

	SEPTEMBER 2010	SEPTEMBER 2009
	RUPEES	RUPEES
Sales	1,305,389,098	774,404,427
Cost of goods sold	<u>1,095,736,540</u>	<u>653,594,636</u>
Gross Profit	209,652,558	120,809,791
Distribution cost	<u>37,115,285</u>	<u>18,411,113</u>
Administrative expenses	<u>12,876,989</u>	<u>11,021,912</u>
	<u>49,992,274</u>	<u>29,433,025</u>
Operating Profits	159,660,284	91,376,766
Finance cost	<u>31,978,214</u>	<u>45,132,510</u>
Other operating expenses	<u>7,760,842</u>	<u>3,348,641</u>
	<u>39,739,056</u>	<u>48,481,151</u>
Profit before taxation	119,921,228	42,895,615
Provision for taxation - current period	<u>13,044,640</u>	<u>7,736,647</u>
Profit after taxation	<u>106,876,588</u>	<u>35,158,968</u>
Earning per share - basic and diluted	<u>16.62</u>	<u>5.47</u>

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

Mohammad Shaheen
Chief Executive

Mohammad Salim
Director

Karachi: 27th October , 2010



BLESSED TEXTILES LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

	SEPTEMBER 2010 RUPEES	SEPTEMBER 2009 RUPEES
Profit before tax	119,921,228	42,895,615
Adjustments for non-cash items		
Finance cost	28,943,444	45,132,510
Imputed Interest income on interest free loan	3,034,770	-
Provision for Workers' Profit Participation Fund	6,535,842	2,398,641
Depreciation	42,300,000	39,975,000
Provision for employees retirement benefits	4,350,000	3,660,000
	85,164,056	91,166,151
Operating profit/(loss) before changes in working capital	205,085,284	134,061,766
Changes in working capital		
Decrease/ (Increase) in stores, spares and loose tools	(7,229,818)	777,822
Decrease in stock in trade	14,428,667	147,594,187
(Increase) in trade receivable	(100,734,554)	(21,003,407)
(Increase) in advances, prepayments and other receivables	(29,268,573)	(28,579,590)
Decrease / (Increase) in long term loans	743,024	(991,000)
(Decrease)/increase in trade and other payables	79,162,179	(8,948,121)
(Decrease)/increase in infrastructure fee payable	1,512,653	103,847
	(41,386,422)	88,953,738
Cash generated from operations	163,698,862	223,015,504
Finance cost paid	(25,811,891)	(44,907,680)
Taxes paid	(5,315,505)	1,497,917
Employees retirement benefits paid	(2,537,112)	(1,843,016)
	(33,664,508)	(45,252,779)
Net cash flow from operating activities	130,034,354	177,762,725
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,809,958)	(3,866,922)
Net cash used in investing activities	(2,809,958)	(3,866,922)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from long term loan	56,394,000	-
Repayment of liabilities against assets subject to finance lease	(6,537,756)	(8,652,519)
Repayment of long term finances	(79,721,196)	(37,500,000)
(Decrease) in short term borrowings	(78,793,887)	(69,683,599)
Net cash from financing activities	(108,658,839)	(115,836,118)
Net increase in cash and cash equivalents	18,565,557	58,059,685
Cash and cash equivalents at the beginning of the year	30,781,115	27,709,334
Cash and cash equivalents at the end of the year	49,346,672	85,769,019

Mohammad Shaheen
Chief Executive

Karachi: 27th October , 2010

Mohammad Salim
Director



BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

	SHARE CAPITAL	GENERAL RESERVE	PROFIT FOR THE PERIOD AND APPROPRIATION	TOTAL RUPEES
Balance as at June 30, 2009	64,320,000	750,000,000	13,261,108	827,581,108
Profit for the quarter	-	-	35,158,968	35,158,968
Balance as at Sep 30, 2009	64,320,000	750,000,000	48,420,076	862,740,076
Profit for the remaining period			388,363,743	388,363,743
Transferred to general reserve	-	350,000,000	(350,000,000)	-
Final dividend for the year ended June 30, 2009 @ Rs. 0.75 per share			(4,824,000)	(4,824,000)
Balance as at June 30, 2010	64,320,000	1,100,000,000	81,959,819	1,246,279,819
Profit for the quarter	-	-	106,876,588	106,876,588
Balance as at September 30, 2010	64,320,000	1,100,000,000	188,836,407	1,353,156,407

Mohammad Shaheen
Chief Executive

Mohammad Salim
Director

Karachi: 27th October , 2010



BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE QUARTER ENDED 30TH SEPTEMBER 2010

Note	30 th September 2010	30 th September 2009
	RUPEES	RUPEES
Profit for the year after taxation	106,876,588	35,158,968
Other comprehensive income for the quarter	-	-
Total comprehensive Income for the quarter	<u>106,876,588</u>	<u>35,158,968</u>

The annexed notes form an integral part of these financial statements

Mohammad Shaheen
Chief Executive

Karachi: 27th October , 2010

Mohammad Salim
Director



BLESSED TEXTILES LIMITED

CONDENSED INTERIM NOTES TO THE ACCOUNTS (UNAUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010

1 NATURE AND SCOPE OF THE BUSINESS

The company was incorporated in Pakistan as a Public limited company on September 29, 1987. Its shares are quoted on the Karachi, Lahore and Islamabad Stock Exchanges. The main business of the company is manufacturing and sale of yarn and fabrics. The registered office is located at Umer House, 23/1, Sector 23, S.M Faorroq Road, Korangi Industrial Area, Karachi.

2 ACCOUNTING POLICIES

All accounting policies adopted for the preparation of these quarterly accounts are the same as applied in preparation of the preceding annual published accounts of the company for the year ended June 30, 2010.

3 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There is no material change in contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2010.

4 ACQUISITION AND DISPOSAL OF FIXED ASSETS

	SEPTEMBER 2010 RUPEES	JUNE 2010 RUPEES
written down value of asset - opening	1,405,915,823	1,565,526,539
Addition during the period	221,140	18,109,632
disposal during the period - written down value	-	(16,287,196)
depreciation charged during the period	(42,300,000)	(161,433,152)
Written down value of assets - closing	<u>1,363,836,963</u>	<u>1,405,915,823</u>

5 TRANSACTIONS WITH ASSOCIATED UNDERTAKING

The Company enters into transactions with the related parties in normal course of business at arm's length determined in accordance with "comparable Uncontrolled Price Method". Transactions with related parties other than remuneration and benefits to key management personnel under the terms of employment are as follows:

	SEPTEMBER 2010 RUPEES	SEPTEMBER 2009 RUPEES
Services received	186,000	1,491,895
Electricity consumed	14,726,529	5,310,929
Purchase of yarn, fabric, stores and cotton	139,115,999	18,930,612
Sales of yarn and fabric	148,979,869	78,996,799

6 COMPARATIVE FIGURES

In order to comply with the requirements of international Accounting Standards 34 "Interim Financial Reporting", Balance Sheet has been compared with the balances of annual financial statements while profit & Loss Accounts has been compared with corresponding figures of last year's quarter.

Mohammad Shaheen
Chief Executive

Mohammad Salim
Director

Karachi: 27th October, 2010

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