



of Companies

FIRST QUARTERLY
ACCOUNTS 2022-2023
(UN - AUDITED)

UMER GROUP OF COMPANIES

BLESSED TEXTILES LIMITED



Vision

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



Mission Statement

To become an exceptional manufacturer of textile products global market.

Directors' Review

On behalf of the board of directors of Blessed Textiles Limited, I am pleased to present the unaudited condensed interim financial statements for the first quarter ended September 30, 2022.

Significant Financial Performance for the First Quarter Ended September 30, 2022;

Profit after tax for the first quarter ended September 30, 2022 is PKR 326.769 million as compared to PKR 712.900 million in the corresponding period September 30, 2021.

Earnings per share for the first quarter ended September 30, 2022 is PKR 50.80 (Sept 30 2021: PKR 110.84).

Break-up value of the share as on September 30, 2022 is PKR 1,452.63 (June 30, 2022: PKR 1,401.83).

The current ratio as on September 30, 2022 is 3.83 (June 30, 2022:2.58).

Challenges for Textile Industry

The country textile industry is immensely important for the economic growth since it provides incomes, jobs, especially for women and most importantly the inflow foreign exchange in the country. Besides, it also provides the opportunity for sustained economic development in those countries with appropriate policies.

Pakistan's cotton arrival is severely hit by floods and heavy rains as industry data reveals the arrival fell 14.04 per cent in August 2022, the first month of marketing year 2022-23. There are indications that the arrival will be lower in the next month too, and the industry estimates that it may face shortage of 40 lakh bales of 170 kg each this season. According to the first report on the cotton arrival during the new marketing year released by the Pakistan Cotton Ginners Association (PCGA), the cotton arrival was 1.5 million bales in August 2022. Last year, the arrival was 1.7 million bales in the same month. Thus, the arrival during August 2022 was 0.25 million bales (14.04 percent) lower than last year.

The government should help cotton growers by providing solar-powered tube-wells for irrigation, tractors with soft loans, seeds that are more resilient to rains and hot weather conditions, quality pesticides, fertilizers and subsidized rates as the the situation is very difficult for the growers. The financial assistance and contribution by the government is indispensable for the survival of growers and eventually for the textile sectors.

New Spinning Unit

The management is trying their level best to commence the commercial production as per revised timeline of July 2023.

So far, almost 75 percent of machinery reached at the unit whereas remaining machinery is expected to reach by February 2022.

Acknowledgement

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

On behalf of the Board



Muhammad Amin
(Chief Executive Officer)

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022

	Note	September 30, 2022	June 30, 2022
		Rupees (Un-audited)	Rupees (Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		65,000,000	65,000,000
Issued share capital		64,320,000	64,320,000
General reserve		7,000,000,000	7,000,000,000
Retained earnings		2,278,999,763	1,952,231,183
TOTAL EQUITY		9,343,319,763	9,016,551,183
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finances		3,652,202,154	3,061,920,470
Long term payables	6	435,614,874	416,759,648
Employees retirement benefits		197,134,735	185,493,380
Deferred taxation		222,777,079	222,777,079
Deferred grant		79,966,617	85,293,434
		4,587,695,459	3,972,244,011
CURRENT LIABILITIES			
Trade and other payables		1,444,501,853	1,230,672,526
Unclaimed dividend		7,721,188	7,809,531
Accrued interest		110,853,854	60,290,812
Short term borrowings		477,250,610	2,559,054,165
Income tax payable		115,039,664	114,419,490
Current portion of non-current liabilities		348,674,892	364,483,938
		2,504,042,061	4,336,730,462
TOTAL LIABILITIES		7,091,737,520	8,308,974,473
CONTINGENCIES AND COMMITMENTS	7	-	-
TOTAL EQUITY AND LIABILITIES		16,435,057,283	17,325,525,656

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

		
Director	Chief Financial Officer	Chief Executive

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022

	Note	September 30, 2022	June 30, 2022
		Rupees (Un-audited)	Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	6,796,354,892	6,104,324,714
Long term deposits		50,452,929	47,485,185
		6,846,807,821	6,151,809,899
CURRENT ASSETS			
Stores and spares		232,620,390	185,918,306
Stock in trade		5,407,037,622	5,537,502,379
Trade receivables		2,096,105,257	1,758,705,012
Short term deposits		357,590,577	317,590,577
Advances and other receivables		135,354,842	279,570,138
Sales tax refundable / adjustable		592,284,638	516,419,271
Cash and bank balances		767,256,136	2,578,010,074
		9,588,249,462	11,173,715,757
TOTAL ASSETS		16,435,057,283	17,325,525,656

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


Director


Chief Financial Officer


Chief Executive

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	Note	Quarter Ended	
		September 30, 2022	September 30, 2021
		Rupees	Rupees
Revenue from contracts with customers - net		5,413,974,764	4,786,914,977
Cost of sales		(4,816,149,248)	(3,799,999,411)
Gross profit		597,825,516	986,915,566
Selling and distribution expenses		(137,613,004)	(119,110,483)
Administrative expenses		(63,847,493)	(46,432,410)
Other expenses		(28,334,358)	(38,992,030)
		(229,794,855)	(204,534,923)
Impairment (allowance)/reversals for expected credit losses		94,367,492	11,184,679
		462,398,153	793,565,322
Other income		11,797,549	6,251,095
Operating profit		474,195,702	799,816,417
Finance cost		(67,598,673)	(25,491,023)
Profit before taxation		406,597,029	774,325,394
Provision for taxation	9	(79,828,449)	(61,425,422)
Profit after taxation		326,768,580	712,899,972
Earnings per share - basic and diluted		50.80	110.84

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



Director



Chief Financial Officer



Chief Executive

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	Quarter Ended	
	September30, 2022	September30, 2021
	Rupees	Rupees
Other comprehensive income	-	-
Profit after taxation	326,768,580	712,899,972
Total comprehensive income	326,768,580	712,899,972

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



Director



Chief Financial Officer



Chief Executive

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	Share capital	Revenue reserves		Total equity Rupees
	Issued share capital	General reserve	Retained earnings	
	Rupees	Rupees	Rupees	
Balance as at July 01, 2021 - Audited	64,320,000	5,500,000,000	460,385,271	6,024,705,271
Comprehensive income				
Profit after taxation	-	-	712,899,972	712,899,972
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	712,899,972	712,899,972
Balance as at September 30, 2021 - Un-audited	64,320,000	5,500,000,000	1,173,285,243	6,737,605,243
Balance as at June 30, 2022- Audited	64,320,000	7,000,000,000	1,952,231,183	9,016,551,183
Balance as at July 01, 2022 - Audited	64,320,000	7,000,000,000	1,952,231,183	9,016,551,183
Comprehensive income				
Profit after taxation	-	-	326,768,580	326,768,580
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	326,768,580	326,768,580
Balance as at September 30, 2022 - Un-audited	64,320,000	7,000,000,000	2,278,999,763	9,343,319,763

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



Director



Chief Financial Officer



Chief Executive

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	Quarter Ended	
	September 30, 2022	September 30, 2021
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	406,597,029	774,325,394
Adjustments for non-cash and other items		
Finance cost	67,598,673	25,491,023
Gain on disposal of property, plant and equipment	-	(254,003)
Provision for employees retirement benefits	15,900,000	13,800,000
Depreciation	102,000,000	95,250,000
	185,498,673	134,287,020
Operating profit before changes in working capital	592,095,702	908,612,414
Changes in working capital		
Stores and spares	(46,702,081)	(20,710,903)
Stock in trade	130,464,757	(531,286,461)
Trade receivables	(337,400,245)	(288,231,587)
Short term deposits	(40,000,000)	(15,500,000)
Advances and other receivables	144,215,296	(64,562,227)
Sales tax refundable	(75,865,367)	(18,977,605)
Trade and other payables	213,829,327	82,766,989
Long term payables	18,855,226	5,210,803
	7,396,913	(851,290,991)
Net cash generated from operations	599,492,615	57,321,423
Payments for:		
Employees retirement benefits	(4,258,645)	(9,124,723)
Finance cost	(17,035,631)	(27,328,499)
Income tax - net	(79,208,275)	(46,921,273)
Net cash generated from / (used in) operating activities	498,990,064	(26,053,072)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(794,030,178)	(394,895,891)
Proceeds from disposal of property, plant and equipment	-	400,000
Long term deposit	(2,967,744)	-
Net cash used in investing activities	(796,997,922)	(394,495,891)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances obtained	670,169,363	88,854,854
Repayment of long term finances	(101,023,545)	(84,488,990)
Net (decrease) / increase in short term borrowings	(2,081,803,555)	536,430,544
Dividend paid	(88,343)	-
Net cash (used in) / generated from financing activities	(1,512,746,080)	540,796,408
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(1,810,753,938)	120,247,445
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,578,010,074	493,118,022
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	767,256,136	613,365,467

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

		
Director	Chief Financial Officer	Chief Executive

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

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 30 June 2022.

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 on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Financial assets	Fair value/amortized cost
Employee retirement benefits	Present value

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 have been prepared in Pak Rupees which is the Company’s functional currency. The amounts reported in these interim financial statements have been rounded to the nearest Rupees unless specified otherwise.

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 26 October 2022.

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 30 June 2022.

	September 30, 2022	June 30, 2022
	Rupees	Rupees
	(Un-Audited)	(Audited)
6 LONG TERM PAYABLES		
Infrastructure Cess	329,681,393	305,653,487
Gas Infrastructure Development Cess	105,933,481	111,106,161
	435,614,874	416,759,648

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 Various banking companies have discounted receivables of the Company as detailed below:

	September 30, 2022	June 30, 2022
	Rupees	Rupees
	(Un-Audited)	(Audited)
Bills discounted	1,180,000,000	2,041,000,000

7.1.2 There is no significant change in the status of remaining contingencies since 30 June 2022.

7.2 Commitments

	Note	September 30, 2022	June 30, 2022
		Rupees	Rupees
		(Un-Audited)	(Audited)
7.2.1 Commitments under irrevocable letters of credit:		13,165,376,185	4,812,927,028

7.2.2 Commitments under ijarah contracts

The aggregate amount of ujarah payments for ijarah financing and the period in which these payments will become due are as

- payments not later than one year	15,622,212	7,116,730
- payments later than one year	58,120,966	26,348,279
	73,743,178	33,465,009

8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1	3,728,370,203	3,830,370,203
Capital work in progress		3,067,984,689	2,273,954,511
		6,796,354,892	6,104,324,714

8.1 Operating fixed assets

Net book value at the beginning of the period/year		3,830,370,203	3,661,241,028
Additions during the period/year			
Freehold land		-	29,063,017
Factory buildings		-	3,277,599
Plant and machinery		-	501,156,351
Equipment and other assets		-	28,460,119
Electric installation		-	1,313,126
Vehicles		-	-
		-	563,270,212
Net book value of assets disposed during the period/year		-	(1,675,404)
Depreciation for the period/year		(102,000,000)	(392,465,633)
Net book value at the end of the period/year		3,728,370,203	3,830,370,203

	Note	Quarter Ended	
		September 30, 2022	September 30, 2021
		Rupees	Rupees
		(Un-Audited)	(Un-Audited)

9 PROVISION FOR TAXATION

Current taxation			
- for current year	9.1	79,828,449	61,425,422
- for prior years		-	-
		79,828,449	61,425,422
Deferred taxation	9.2	-	-
		79,828,449	61,425,422

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

- 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.

	Quarter Ended	
	September 30, 2022	September 30, 2021
	Rupees	Rupees
	(Un-Audited)	(Un-Audited)
10.1 Transactions with related parties		
Nature of relationship	Nature of transaction	
Associated companies	Purchases	40,033,196
	Sales	1,173,346,372
	Service received	77,250
	Purchase of electricity	858,034
Key management personnel	Short term employee benefits	7,800,000
	Balance with related party	20,000

11 FINANCIAL INSTRUMENTS

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

	September 30, 2022	June 30, 2022
	Rupees	Rupees
	(Un-Audited)	(Audited)
11.1 Financial assets		
Financial assets at amortized cost		
Long term deposits	50,452,929	47,485,185
Trade receivables	2,096,105,257	1,758,705,012
Advances to employees	12,436,228	11,457,948
Security deposits	357,590,577	317,590,577
Bank balances	767,256,136	2,578,010,074
	3,283,841,127	4,713,248,796

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

11.2 Financial liabilities

Financial liabilities at amortized cost

Long term finances	4,000,877,046	3,426,404,408
Short term borrowings	477,250,610	2,559,054,165
Accrued interest	110,853,854	60,290,812
Trade creditors	629,052,120	490,914,257
Accrued liabilities	318,194,980	324,516,135
Unclaimed dividend	7,721,188	7,809,531
	5,543,949,798	6,868,989,308

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

Information reported to the Company's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. The Company's reportable segments are therefore as follows:

Segment	Product
Spinning	Yarn
Weaving	Fabric

Information regarding Company's reportable segments is presented below.

	September 30, 2022 (Un-Audited)		
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Total Rupees (Un-audited)
Revenue from external customers	4,379,066,515	1,034,908,249	5,413,974,764
Inter-segment transfers	87,267,500	-	87,267,500
Segment results	346,832,235	127,363,467	474,195,702

	September 30, 2021 (Un-Audited)		
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Total Rupees (Un-audited)
Revenue from external customers	3,746,957,054	1,039,957,923	4,786,914,977
Inter-segment transfers	132,688,214	-	132,688,214
Segment results	548,019,987	251,796,430	799,816,417

	September 30, 2022 (Un-Audited)			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment assets	13,497,131,071	2,887,473,283	50,452,929	16,435,057,283

	June 30, 2022 (Audited)			
	Spinning Rupees (Audited)	Weaving Rupees (Audited)	Un-allocated Rupees (Audited)	Total Rupees (Audited)
Segment assets	14,619,379,071	2,658,661,400	47,485,185	17,325,525,656

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

	September 30, 2022 (Audited)			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment liabilities	1,270,571,132	537,007,045	5,284,159,343	7,091,737,520

	June 30, 2022 (Audited)			
	Spinning Rupees (Audited)	Weaving Rupees (Audited)	Un-allocated Rupees (Audited)	Total Rupees (Audited)
Segment liabilities	1,113,369,136	474,497,317	6,721,108,020	8,308,974,473

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

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 30 June 2022 affecting the interim financial statements.

16.2 Corresponding figures have been re-arranged where necessary to facilitate comparison.



Director



Chief Financial Officer



Chief Executive