



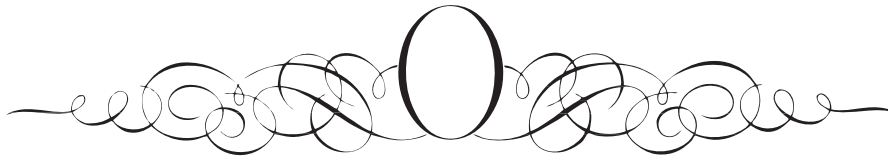
of Companies
29th Annual Report 2016

UMER GROUP OF COMPANIES

BLESSED TEXTILES LIMITED.

Vision

*A Leader Company maintaining
an excellent Level of ethical and
Professional standards*



Mission Statement

*To become a top quality
Manufacturer of textile products
In the International
&
Local markets*



BLESSED TEXTILES LIMITED

CORPORATE INFORMATION

Board of Directors	Mr. Mohammad Amin Mr. Khurram Salim Mr. Bilal Sharif Mr. Adil Shakeel Mr. Mohammad Salim Mr. Mohammad Sharif Mr. Mohammad Shaheen Mr. Mohammad Shakeel Mr. Iqbal Mehboob	Chief Executive / Director Non Executive Director Non Executive Director Executive Director Non Executive Director / Chairman Non Executive Director Executive Director Non Executive Director Independent Director
Company Secretary	Syed Ashraf Ali, FCA	
Chief Financial Officer	Mr. Anwar Hussain, FCA	
Audit Committee	Mr. Iqbal Mehboob Mr. Khurram Salim Mr. Bilal Sharif	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Mohammad Shakeel Mr. Khurram Salim Mr. Adil Shakeel	Chairman Member Member
Auditors	M/s Rehman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants 72-A, Faisal Town Lahore	
Legal Advisor	Mr. Shahid Pervaiz Jami	
Bankers	Bank Al Habib Limited Dubai Islamic Bank MCB Bank Limited Meezan Bank Limited Samba Bank Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited	
Share Registrar	Hameed Majeed Associated (Private) Limited 5th Floor Karachi Chamber, Karachi	
Registered Office	Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, Pakistan Tel : 021 35115177 - 80 ; Fax: 021 -35063002-3 Email: khihoff@umergroup.com Website: http://www.umergroup.com	
Liason / Correspondence office	9th Floor, City Towers, 6-K, Main Boulevard Gulberg - II, Lahore, Pakistan Tel : 042 111 130 130 ; Fax: 042 -35770015 Email: lhroff@umergroup.com Website: http://www.umergroup.com	
Mills At:	Spinning and weaving units are situated at Feroz Watwan, Sheikhpura, Punjab. Tel: 0496 731724	



BLESSED TEXTILES LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 29th Annual General Meeting of the members of Blessed Textiles Limited will be held on Friday 28th October 2016 at 4:30 PM., at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

Ordinary Business

1. To confirm the minutes of the Extra Ordinary General Meeting held on 31st December 2015.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2016 together with the Auditors' and Directors' Report thereon.
3. To approve the cash dividend @ 50% (i.e. PKR 5 per share) for the year ended 30th June, 2016, as recommended by the Board of Directors.
4. To appoint the auditors for the next term i.e. year 2016-2017 and fix their remuneration. The retiring auditors M/S Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, being eligible, offer themselves for reappointment.
5. To transact any other business with the permission of the chairman.

Special Business

6. To approve the remuneration of Chief Executive and two Directors of Company

Statement Under Section 160(1)/(b) of the Companies Ordinance 1984; Regarding the Special Business

The shareholders approval is sought for remuneration of Chief Executive and two Directors of the company; For this purpose it is proposed that the following resolution be passed with or without modification by the shareholders as an ordinary resolution;

"Resolved that the company hereby approves the monthly remuneration of Mr. Mohammad Amin, Chief Executive, a sum not exceeding PKR 650,000, Mr. Mohammad Shaheen - Director, a sum not exceeding PKR 650,000 and Mr. Adil Shakeel - Director, a sum not exceeding PKR 650,000. The perquisites will remain same as approved earlier.

(By the order of the Board)

Karachi:
Date: September 27th, 2016

Syed Ashraf Ali, FCA
Company Secretary

NOTES:

1. The Shares Transfer Books of the Company will remain closed from 21st October 2016 to 28th October, 2016 (both days inclusive). Transfers received in order at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 19th October 2016 will be treated in time for the purpose of entitlement of dividend in respect of the period ended 30th June, 2016.
2. A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. No person other than a member shall act as proxy.
3. An instrument appointing a proxy and the power of attorney or other Authority (if any) under which it is signed or a notarially certified copy of such power or authority, in order to be valid, must be deposited at the registered office of the company at least 48 hours before the time of the meeting and must be duly stamped, signed and witnessed.
4. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport, Account and participant's I.D. numbers, to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose. The account/ sub account holders of CDC will further have to follow the guidelines as laid down in Circular No. 1 of 2000 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan.



BLESSED TEXTILES LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

5. As instructed by Securities and Exchange Commission of Pakistan (SECP) vide their letter No. EMD/D-II/Misc/2009-1342 dated April 4, 2013 dividend warrants cannot be issued without insertion of CNIC Numbers; therefore, all shareholders holding physical shares were requested to submit copies of their valid CNICs as requested by our letters and also through advertisement in newspapers. All those shareholders who have not submitted their valid CNICs are once again requested to send a photocopy of their valid CNIC/National Tax numbers alongwith the folio numbers to the Company's Share Registrar. No dividend will be payable unless the CNIC number is printed on the dividend warrants, so please let us have your CNIC numbers failing, which we will not be responsible if we are not able to pay the dividends.
6. In order to make process of payment of cash dividend more efficient, SECP vide circular No. 8(4) SM/CDC 2008 dated April 5, 2013 have issued instructions so that the shareholders can get their dividend credited in their respective bank accounts electronically without any delay. You may therefore authorize the Company to credit the dividend directly to your bank account for all future dividends declared by the Company. Accordingly all non CDC shareholders are requested to send their bank account details to the Company's Registrar at the address given above. Shareholders who hold shares with Participant/Central Depository Company of Pakistan (CDC) accounts are advised to provide the mandate to the concerned Stock Broker/ Central Depository Company of Pakistan Ltd.
7. Members are requested to immediately inform of any change in their addresses to our share Registrar, Hameed Majeed Associates (Private) Limited.
8. Pursuant to Notification vide SRO787(1)/2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. www.umergroup.com. Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 1 MB file in size. Further, it is the responsibility of the member to timely update the Share Registrar of any change in the registered e-mail address.
9. Pursuant to the provisions of the Finance Act 2016 effective July 1, 2016, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance, 2001 have been revised as follows:
 - a. For filer of income tax return 12.5%
 - b. For non-filers of income tax return 20%

To enable the Company to make tax deduction on the amount of cash dividend @ 12.5% instead of 20%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 20% instead of 12.5%.

Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to Hameed Majeed Associates (Private) Limited, by the first day of Book Closure. Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing.



BLESSED TEXTILES LIMITED

Directors' Report

The Directors of your Company have pleasure in submitting their report on audited financial statements of Company for the year ended 30th June 2016.

Financial Highlights

Financial results of the company are summarized as under;

	2016 Rupees	2015 Rupees
Sales	6,846,744,492	7,623,285,484
Gross profit	521,135,477	650,230,055
Profit before taxation	127,440,552	119,076,496
Taxation		
Current year	-	1,523,173
Prior year	(202,404)	-
Deferred	32,704,436	35,552,693
	<u>32,502,032</u>	<u>37,075,866</u>
Profit after taxation	94,938,520	82,000,630
Comprehensive income		
Re-measurement of employees retirement benefits obligation – Actuarial gain / (loss)	20,605,852	(7,047,209)
Deferred tax	(3,174,376)	941,894
	<u>17,431,476</u>	<u>(6,105,315)</u>
Total comprehensive income	112,369,996	75,895,315
Un-appropriated profit brought forward	64,520,677	54,705,362
	<u>176,890,673</u>	<u>130,600,677</u>
Dividend paid	(32,160,000)	(16,080,000)
Profit available for appropriation	<u>144,730,673</u>	<u>114,520,677</u>
Appropriations:		
Transferred to General Reserve	(50,000,000)	(50,000,000)
Un-appropriated profit carried forward	<u>94,730,673</u>	<u>64,520,677</u>
	=====	=====
Basic and diluted earnings per share	14.76	12.75
	=====	=====

Subsequent Appropriation

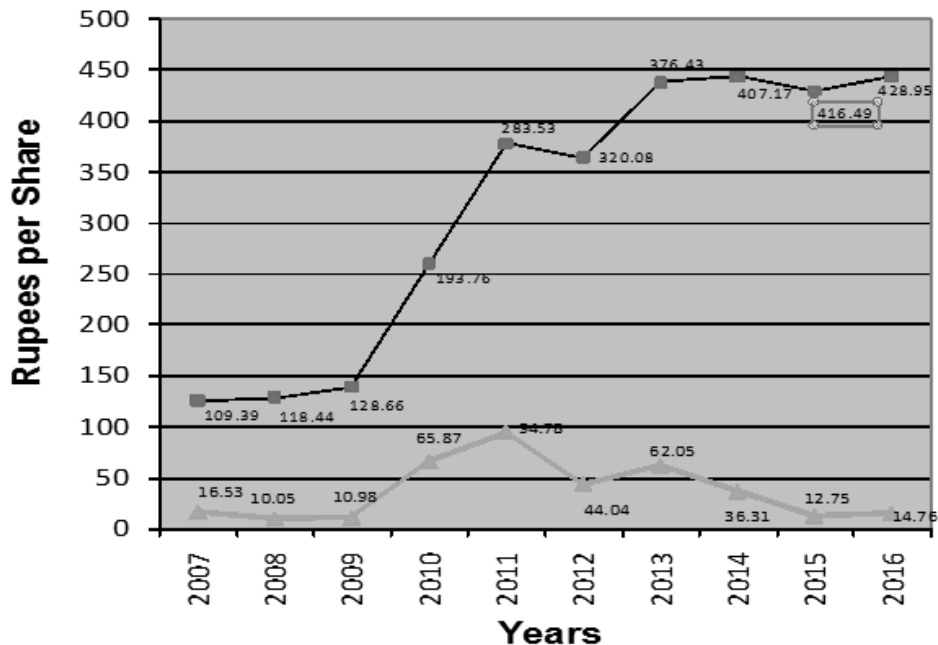
The directors have recommended cash dividend of PKR 5.00 per share, i.e. 50% (2015: PKR 5.00 per share, i.e. 50%) for the approval of shareholders at the forthcoming annual general meeting.

Earning per Share and Breakup Value

The Earnings per Share (EPS) of company for the year ended 30th June 2016 is PKR 14.76 (30th June 2015: PKR 12.75). The breakup value of your share as on 30th June 2016 is PKR 428.95 (30th June 2015: PKR 416.49).



BLESSED TEXTILES LIMITED



Operating Results

During the year under review, net sales revenue was decreased to PKR 6,846.744 million as compared to previous year of PKR 7,623.185 million mainly due to decrease in sale prices of yarn.

The company earned gross profit of PKR 521.135 million during the year as compared to PKR 650.230 million in previous year. The decrease in gross profit during the current year as compared, to corresponding year mainly due to recession in textile industry particularly in spinning sector. The Company earned a net profit of PKR 94.938 million during the year, resulting in earnings per share of PKR 14.76 as compared to a net profit of PKR 82.0 million and earnings per share of PKR 12.75 last year. Profit after tax is increased as compared to previous year due to decrease finance cost and provision for income tax.

Textile Industry and Current Economic Conditions

During the year 2016 the Pakistan economy recorded the growth of 4.71% which was the highest growth achieved since 2008-09. But the growth of 4.71% is still at lower side and needs improvement in order to achieve economic stability. There is hope of increases in the growth in subsequent years based on China Pakistan Economic Corridor (CPEC) activities.

Current account deficit and continuous decreasing export of textile products are major concern for Pakistan economic. The main cause of such decline in export is cost of production which is comparatively at higher side and Pakistan textile products are unable to compete in international market. In recent past years it was competing successfully worldwide but now it is being affected due to its competitors like Bangladesh, India, Vietnam, Thailand, and China.

Government should develop and implement a comprehensive textile policy on broad basis in order to compete in the world.

Capital Structure and Current Ratio
The Company's assets are financed by debt and equity. Gearing ratio is 1.01 at 30th June 2016 as compared to 0.64 at 30th June 2015. Interest coverage ratio is 1.75 (2015: 1.46). The liquidity position of the company is sound with a current ratio of 1.47 at 30th June 2016 (2015: 1.81). The total of shareholders' fund stood at PKR 2.759 billion (2015: PKR 2.679 billion).

Cash Flow Management

The company has an effective Cash Flow Management System in place whereby cash inflows and outflows are projected on regular basis. Working capital requirements are planned through internal cash generations and short term borrowings. The company is well placed for its commitments towards long and short term loans. The company had paid an amount of PKR 413.249 million on account of repayments of long term loans. An amount of PKR 31.925 million has been paid as dividend to shareholders.

Compliance with Code of Corporate Governance

The Statement of Compliance with the Code of Corporate Governance is annexed.



BLESSED TEXTILES LIMITED

Statement on Corporate and Financial Reporting Framework

The Directors of your Company are aware of their responsibilities under the Code of Corporate Governance incorporated in the Listing Rules of the Pakistan Stock Exchange Limited under instructions from the Securities & Exchange Commission of Pakistan. As a part of the compliance of the Code, we confirm the following:

- These financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control was sound in design and has been effectively implemented and monitored.
- There were no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- We have prepared and circulated a Code of Conduct and business strategy among directors and employees.
- The Board of Directors has adopted a vision and mission statement and a statement of overall corporate strategy.
- Six directors of the Company had already completed Directors' Training Program (DTP). In addition three directors met the criteria of exemption under Code of Corporate Governance.

Therefore all directors of the Company were in compliance of the Code of Corporate Governance in respect of Directors' Training Program (DTP).

- As required by the Code of Corporate Governance, we have included the following information in this report:
 - Statement of pattern of shareholding has been given separately.
 - Statement of shares held by associated undertakings and related persons.
 - Statement of the Board meetings held during the year and attendance by each director has been given separately.
 - Key operating and financial statistics for last six years.
- Information about taxes and levies had been adequately disclosed in the annexed audited financial statements.
- No trading in the Company's shares was carried by its Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children except as disclosed in pattern of shareholding.

Audit Committee

The audit committee of the company is working as required by the code of corporate governance. The audit committee has established internal audit system to monitor and review the adequacy and implementation of internal control at each level. The meetings of audit committee were held in compliance of the requirements of Code of Corporate Governance. Interim and annual financial statements were reviewed by the audit committee before the approval of board of directors.

Material changes and commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of financial year of the Company to which the balance sheet relates and the date of report of directors' report.



BLESSED TEXTILES LIMITED

Financial statements

As required under listing regulations of stock exchanges the Chief Executive Officer and Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the board of directors and the board, after consideration and approval, authorize the signing of financial statements for issuance and circulation. The financial statements of the company have been duly audited by the auditors of the company, Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants and the auditors have issued clean audit report on the financial statements for the year ended 30th June 2016 and clean review report on Statement of Code of Corporate Governance. These reports are attached with the financial statements.

Pattern of Shareholding

The pattern of shareholding and additional information regarding pattern of shareholding is attached separately.

Auditors

The present auditors M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants shall retire on the conclusion of the annual general meeting. Being eligible, they have offered themselves for re-appointment. The audit committee has suggested the appointment of aforesaid M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, as external auditor for the year ended 30th June 2017. The external auditors, M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants have been given satisfactory rating under the quality review program of the Institute of Chartered Accountants of Pakistan and the firm and all its partner are in compliance with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan. The Board of Directors also recommended the appointment of M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, as external auditor for the year ended 30th June 2017.

Board and Audit Committee Meetings

The number of board and audit committee meetings held during the year 2015-16 was four. The attendance of the directors and members are as under:

Name of Directors	Committees					
	Board of Directors		Audit		Human Resource and Remuneration	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr. Mohammad Salim	4	4	-	-	-	-
Mr. Mohammad Sharif	4	4	-	-	-	-
Mr. Mohammad Shaheen	4	4	-	-	-	-
Mr. Mohammad Shakeel	4	4	-	-	2	2
Mr. Khurram Salim	4	4	4	4	2	2
Mr. Bilal Sharif	4	4	4	4	-	-
Mr. Mohammad Amin	4	4	-	-	-	-
Mr. Adil Shakeel	4	4	-	-	2	2
Mr. Iqbal Mehboob	4	4	4	4	-	-

Safety, Health and Environment

Health, Safety & Environment is our core value, we take pride in our practices and will ensure that we run safe operations and are not a source of environmental degradation. The health and safety of our employees, the safety of our assets and the security of our operations always remain among the top priorities of the Company. Safety is an all-encompassing priority for the Company, from the Board down to the business units. Due these controls and with the blessing of Al-Mighty Allah no major accidents or incidents took place at the business units.

Company always ensures environment preservation and adopts all the possible means for environment protection. We have been taking various steps to ensure minimal dust and emission from our plant and our production lines are installed with pollutant trapping and suppression systems to control dust particles and other emissions.



BLESSED TEXTILES LIMITED

Major Judgment Areas

Main areas related to income taxes, deferred tax, retirement benefit obligations and accounting estimates and judgments are detailed in notes to the financial statements.

Accounting Standards

The accounting policies of the Company fully reflect the requirements of the Companies Ordinance 1984 and such approved International Accounting Standards and International Financial Reporting Standards as have been notified under this Ordinance as well as through directives issued by the Securities and Exchange Commission of Pakistan.

Human Resource and Remuneration Committee:

The human resource and remuneration committee has established sound and effective employees' development programme. Human Resource focused on two key areas: improving productivity / efficiency in the Company and enhancing the quality of our workforce. The Company has employed experienced and qualified human resources to meet the challenges ahead. Company also plans to strengthen its team, use employee performance evaluation methods to further strengthen organization structure and effectiveness.

Corporate Social Responsibility

The Company has played a proactive role to raise the educational, health and environmental standards of the country in general and local communities in particular, with renowned NGO chartered by Government of Pakistan. Company spent PKR 1.3 million under social commitments during the year.

Risks, Challenges and Future Outlook

Currently the price of cotton is surging and trading around PKR 6,250 per maund. Such surge in cotton prices will also help in increasing the price of yarn and fabric.

Going forward, there are considerable economic, social and political challenges. The Company remains cautious on the economic outlook. The textile export is continuously decreasing with the passage of time due to uneconomical in world market. Government must adopt the policies which are helpful to boost the export of textile products.

The results of the first quarter of the next fiscal year will depend on the direction of cotton prices and demand of yarn. The management expects moderate results in subsequent period.

Acknowledgement

On behalf of the Board of directors, I would like to record my gratitude to extremely valued shareholders, customers, suppliers, bankers and other stakeholder for their support, trust and confidence. I also appreciate to all employees for their loyalty dedication and hard work which enabled the Company to achieve its objectives.

For and on behalf of the Board of Directors

Karachi:
Date: September 27th, 2016


Mohammad Amin
Chief Executive



RAHMAN SARFARAZ RAHIM
IQBAL RAFIQ
Chartered Accountants

72-A, Faisal Town, Lahore

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Review Report to the members

on Statement of Compliance with Best practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ('the Code') prepared by the Board of Directors of **BLESSED TEXTILES LIMITED** for the year ended June 30, 2016 to comply with the requirements of Regulation No 5.19 of the Rule Book of Pakistan Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Date: September 27th, 2016
Place: Lahore

Engagement Partner:
ZUBAIR IRFAN MALIK



BLESSED TEXTILES LIMITED

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30TH JUNE, 2016

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No 5.19 of Rule Book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Name
Independent Director	Mr. Iqbal Mehboob
Executive Directors	Mr. Mohammad Amin Mr. Mohammad Shaheen Mr. Adil Shakeel
Non Executive Directors	Mr. Khurram Salim Mr. Bilal Sharif Mr. Mohammad Salim Mr. Mohammad Sharif Mr. Mohammad Shakeel

The independent directors meets the criteria of independence under clause 5.19.1(b) of the Code

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the board during the year.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The board arranged one training program for its directors during the year.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

**STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE
OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30TH JUNE, 2016**

11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the Code.
15. The board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.
18. The board has set up an effective internal audit function.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other material principles enshrined in the Code have been complied with.

For and on behalf of the Board of Directors

Date: September 27th, 2016


Mohammad Amin
Chief Executive



**RAHMAN SARFARAZ RAHIM
IQBAL RAFIQ**
Chartered Accountants

72-A, Faisal Town, Lahore

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F: +92 42 35160433

Auditors' Report to the Members

We have audited the annexed balance sheet of **BLESSED TEXTILES LIMITED** ("the Company") as at June 30, 2016 and the related profit and loss account, statement of profit or loss and other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that-

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion-
 - i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - ii. the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of profit or loss and other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the profit, other comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980.), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that ordinance.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Date: September 27th, 2016
Place: Lahore

Engagement Partner:
ZUBAIR IRFAN MALIK




BLESSED TEXTILES LIMITED

Balance Sheet as at June 30, 2016

	Note	2016 Rupees	2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
6,500,000 (2015: 6,500,000) ordinary shares of Rs. 10 each		<u>65,000,000</u>	<u>65,000,000</u>
Issued, subscribed and paid-up capital	6	64,320,000	64,320,000
General reserve	7	2,600,000,000	2,550,000,000
Accumulated profit		94,730,673	64,520,677
TOTAL EQUITY		<u>2,759,050,673</u>	<u>2,678,840,677</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finances - Secured	8	1,376,316,051	1,063,743,895
Deferred liabilities	9	219,862,302	179,777,196
		<u>1,596,178,353</u>	<u>1,243,521,091</u>
CURRENT LIABILITIES			
Trade and other payables	10	330,266,096	347,090,856
Accrued interest/mark-up		27,158,358	30,427,313
Short term borrowings - Secured	12	1,153,711,954	380,500,000
Current portion of non-current liabilities	11	254,009,628	280,491,820
		<u>1,765,146,036</u>	<u>1,038,509,989</u>
TOTAL LIABILITIES		<u>3,361,324,389</u>	<u>2,282,031,080</u>
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		<u>6,120,375,062</u>	<u>4,960,871,757</u>

The annexed notes 1 to 50 form an integral part of these financial statements.


Mohammad Amin
Chief Executive

Karachi
Date: September 27th, 2016




BLESSED TEXTILES LIMITED

Balance Sheet as at June 30, 2016

	Note	2016 Rupees	2015 Rupees
ASSETS			
NON-CURRENT ASSETS			
<i>Property, plant and equipment</i>	14	3,512,679,217	3,052,232,508
Long term deposits - <i>Unsecured, Considered good</i>	15	14,154,095	14,154,095
		3,526,833,312	3,066,386,603
CURRENT ASSETS			
Stores, spares and loose tools	16	64,913,402	67,452,235
Stock in trade	17	1,592,564,953	1,186,679,255
Trade debts	18	302,464,788	234,589,526
Advances, prepayments and other receivables	19	104,501,670	61,757,212
Sales tax refundable		191,851,524	61,336,417
Current taxation	20	272,000,389	208,663,773
Bank balances	21	65,245,024	57,187,026
		2,593,541,750	1,877,665,444
NON-CURRENT ASSETS HELD FOR SALE	22	-	16,819,710
TOTAL ASSETS		6,120,375,062	4,960,871,757

The annexed notes 1 to 50 form an integral part of these financial statements.


Mohammad Salim
Director

Profit and loss account for the year ended June 30, 2016

	Note	2016 Rupees	2015 Rupees
Sales - net	23	6,846,744,492	7,623,285,484
Cost of sales	24	6,325,609,015	6,973,055,429
Gross profit		521,135,477	650,230,055
Selling and distribution expenses	25	127,014,180	163,427,705
Administrative and general expenses	26	116,670,193	102,519,089
		243,684,373	265,946,794
Other income	27	277,451,104	384,283,261
		29,817,822	4,506,264
Operating profit		307,268,926	388,789,525
Finance cost	28	168,906,206	260,190,305
Other charges	29	10,922,168	9,522,724
		179,828,374	269,713,029
Profit before taxation		127,440,552	119,076,496
Provision for taxation			
Current taxation	30	(202,404)	1,523,173
Deferred taxation	31	32,704,436	35,552,693
		32,502,032	37,075,866
Profit after taxation		94,938,520	82,000,630
Earnings per share - basic and diluted	32	14.76	12.75

The annexed notes 1 to 50 form an integral part of these financial statements.



Mohammad Amin
Chief Executive



Mohammad Salim
Director

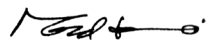
Karachi
Date: September 27th, 2016

Cash flow statement for the year ended June 30, 2016

	Note	June 30, 2016 Rupees	June 30, 2015 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	34	(51,475,220)	1,016,220,681
Payments for:			
Employees retirement benefits		(26,680,581)	(19,217,161)
Interest/markup		(159,878,373)	(258,455,008)
Income tax		(63,134,212)	(18,709,193)
Net cash (used in)/generated from operating activities		(301,168,386)	719,839,319
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(795,722,196)	(177,920,481)
Proceeds from disposal of property, plant and equipment		77,571,757	26,088,000
Net cash used in investing activities		(718,150,439)	(151,832,481)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finances obtained		699,339,000	23,033,000
Repayment of long term finances		(413,249,036)	(274,745,672)
Net increase (decrease) in short term borrowings		773,211,954	(302,404,828)
Dividend paid		(31,925,095)	(15,953,379)
Net cash generated from/(used in) financing activities		1,027,376,823	(570,070,879)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8,057,998	(2,064,041)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		57,187,026	59,251,067
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	35	65,245,024	57,187,026

The annexed notes 1 to 50 form an integral part of these financial statements.


Mohammad Amin
 Chief Executive


Mohammad Salim
 Director

Karachi
 Date: September 27th, 2016




BLESSED TEXTILES LIMITED

Statement of profit or loss and other comprehensive income for the year ended June 30, 2016

	Note	2016 Rupees	2015 Rupees
<i>Items that may be reclassified subsequently to profit or loss</i>		-	-
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit obligation	9.1.4	20,605,852	(7,047,209)
Taxation relating to items that may be reclassified	9.3.1	(3,174,376)	941,894
Other comprehensive income		17,431,476	(6,105,315)
Profit after taxation		94,938,520	82,000,630
Total comprehensive income		112,369,996	75,895,315

The annexed notes 1 to 50 form an integral part of these financial statements.


Mohammad Amin
Chief Executive


Mohammad Salim
Director


Karachi
Date: September 27th, 2016

Statement of changes in equity for the year ended June 30, 2016

	Issued subscribed and paid-up capital <i>Rupees</i>	General reserve <i>Rupees</i>	Accumulated profit <i>Rupees</i>	Total equity <i>Rupees</i>
Balance as at July 01, 2014	64,320,000	2,500,000,000	54,705,362	2,619,025,362
Comprehensive income				
Profit after taxation	-	-	82,000,630	82,000,630
Other comprehensive income	-	-	(6,105,315)	(6,105,315)
Total comprehensive income	-	-	75,895,315	75,895,315
Transaction with owners				
Final dividend @ 25% i.e. Rs. 2.5 per ordinary share	-	-	(16,080,000)	(16,080,000)
Profit transferred to general reserve	-	50,000,000	(50,000,000)	-
Balance as at June 30, 2015	64,320,000	2,550,000,000	64,520,677	2,678,840,677
Comprehensive income				
Profit after taxation	-	-	94,938,520	94,938,520
Other comprehensive income	-	-	17,431,476	17,431,476
Total comprehensive income	-	-	112,369,996	112,369,996
Transaction with owners				
Final dividend @ 50% i.e. Rs. 5 per ordinary share	-	-	(32,160,000)	(32,160,000)
Profit transferred to general reserve	-	50,000,000	(50,000,000)	-
Balance as at June 30, 2016	64,320,000	2,600,000,000	94,730,673	2,759,050,673

The annexed notes 1 to 50 form an integral part of these financial statements.


Mohammad Amin
 Chief Executive


Mohammad Salim
 Director

Karachi
 Date: September 27th, 2016



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

1 REPORTING ENTITY

Blessed Textiles Limited ('the Company') is incorporated in Pakistan as a Public Limited Company under the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. The Company is primarily a spinning unit engaged in the manufacture and sale of yarn and woven fabric, however, it is also engaged in the generation of electricity for self consumption. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The manufacturing facility is located at District Sheikhpura in the Province of Punjab.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board as notified under the provisions of the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for employees retirement benefits liabilities measured at present value and certain financial instruments measured at fair value/amortized cost. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

2.3 Judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, 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. There are no estimation uncertainties as at the reporting date. Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

2.3.1 Depreciation method, rates and useful lives of operating fixed assets (see note 5.1.1).

The Company reassesses useful lives, depreciation method and rates for each item of operating fixed assets annually by considering expected pattern of economic benefits that the Company expects to derive from that item.

2.3.2 Recoverable amount and impairment (see note 5.21).

The management of the Company reviews carrying amounts of its assets for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

2.3.3 Obligation under defined benefit plan (see note 5.4.2).

The Company's obligation under the defined benefit plan is based on assumptions of future outcomes, the principal ones being in respect of increases in remuneration, remaining working lives of employees and discount rates to be used to determine present value of defined benefit obligation. These assumptions are determined periodically by independent actuaries.

2.3.4 Taxation (see note 5.16).

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provision for current tax. Provision for deferred tax is estimated after taking into account historical and expected future turnover and profit trends and their taxability under the current tax law.

2.3.5 Provisions (see note 5.11).

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

2.3.6 Net realizable values of stock in trade (see note 5.3).

The company estimates net realizable values of its stock in trade as the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

2.4 Functional currency

These financial statements have been prepared in Pak Rupees which is the Company's functional currency.

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

The following new and revised standards, interpretations and amendments are effective in the current year but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures.

IFRS 10 - Consolidated Financial Statements (2011)

The standard replaces those parts of IAS 27 - Consolidated and Separate Financial Statements, that address when and how an investor should prepare consolidated financial statements and supersedes SIC 12 - Consolidation: Special Purpose Entities.

IFRS 11 - Joint Arrangements (2011)

The standard supersedes IAS 31 - Interest in Joint Ventures and SIC 13 - Jointly Controlled Entities: Non-monetary Contributions by Venturers.

IFRS 12 - Disclosure of Interests in Other Entities (2011)

The standard introduces disclosure requirements relating to interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

IFRS 13 - Fair Value Measurement (2011)

The standard establishes a single framework for measuring fair value where that is required by other standards.

Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements and IFRS 12 – Disclosure of Interests in Other Entities)

The amendments provide transitional relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 11 and IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

Investment Entities (Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements)

The amendments provide exemption from consolidation of particular subsidiaries by certain entities defined as "Investment Entities" and require additional disclosures where such subsidiaries are excluded from consolidation pursuant to exemption.

Mandatory disclosure requirements for All Shares Islamic Index screening

The Securities and Exchange Commission of Pakistan vide its circular 14 of 2016 has notified certain mandatory disclosure requirements for All Shares Islamic Index screening. These disclosures are aimed at assisting Pakistan Stock Exchange Limited in fairly maintaining its All Shares Islamic Index.

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

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments (2014)	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts (2014)	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers (2014)	January 01, 2018
IFRS 16 – Leases (2016)	January 01, 2019

Notes to and forming part of financial statements for the year ended June 30, 2016

	Effective date (annual periods beginning on or after)
Equity method in Separate Financial Statements (Amendments to IAS 27 - Separate Financial Statements)	January 01, 2016
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11 – Joint Arrangements)	January 01, 2016
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
Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets)	January 01, 2016
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 - Consolidated Financial Statements, IFRS 12 - Disclosure of Interests in Other Entities, IAS 28 - Accounting for Investments in Associates and Joint Ventures)	January 01, 2016
Agriculture: Bearer Plants (Amendments to IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture)	January 01, 2016
Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 - Income Taxes)	January 01, 2017
Disclosure initiative (Amendments to IAS 1 - Presentation of Financial Statements)	January 01, 2016
Disclosure initiative (Amendments to IAS 7 - Statement of Cash Flows)	January 01, 2017
Classification and Measurement of Share-based Payment Transactions	January 01, 2018
Clarifications to IFRS 15 - Revenue from Contracts with Customers	January 01, 2018
Applying IFRS 9 - Financial Instruments with IFRS 4 - Insurance Contracts (Amendments to IFRS 4 - Insurance Contracts)	January 01, 2018
Annual Improvements 2012-2014 cycle	January 01, 2016

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 234 of the Companies Ordinance, 1984 regarding their adoption. The management anticipates that, except as stated below, 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: Classification and Measurement (2014)

IFRS 9 replaces 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 cash flow characteristics. The standard introduces a 'fair value through 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 measurement of entity's own credit risk.
- **Impairment:** 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 loss to have occurred before a credit loss is recognized.
- **Hedge accounting:** IFRS 9 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 exposure.
- **Derecognition:** The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Adoption of this IFRS 9 may result in material adjustment to carrying amounts of financial assets and liabilities. However, the financial impact of the same cannot be estimated with reasonable certainty at this stage.

Notes to and forming part of financial statements for the year ended June 30, 2016

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 - Income Taxes)

The amendments clarify the following:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to deductible temporary differences regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax laws restrict utilization of tax losses, an entity would assess a deferred tax asset in combination with deferred tax assets of the same type.

Adoption of this amendment may result in material adjustment to deferred tax assets. However, the financial impact of the same cannot be estimated with reasonable certainty at this stage.

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Property, plant and equipment

5.1.1 Operating fixed assets

Operating fixed assets are accounted for under the cost model and measured at cost less accumulated depreciation and accumulated impairment losses with the exception of freehold land, which is stated at cost less accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

Major renewals and improvements to operating fixed assets are recognized in the carrying amount of the item if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of operating fixed assets are recognized in profit or loss as incurred.

The Company recognizes depreciation in profit or loss by applying reducing balance method over the useful life of each operating fixed asset using rates specified in note 14.1 to the financial statements. Depreciation on additions to operating fixed assets is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

An operating fixed asset is de-recognized when permanently retired from use. Any gain or loss on disposal of operating fixed assets is recognized in profit or loss.

5.1.2 Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the cost of material, labour and appropriate overheads directly relating to the construction, erection or installation of an item of operating fixed assets. These costs are transferred to operating fixed assets as and when related items become available for intended use.

5.2 Stores, spares and loose tools

These are generally held for internal use and are valued at cost. Cost is determined on the basis of weighted average except for items in transit, which are valued at invoice price plus related cost incurred up to the reporting date. For items which are considered obsolete, the carrying amount is written down to nil. Spare parts held exclusively for capitalization are classified as property, plant and equipment.

5.3 Stock in trade

These are valued at lower of cost and net realizable value, with the exception of stock of waste which is valued at net realizable value. Cost is determined using the following basis:

Notes to and forming part of financial statements for the year ended June 30, 2016

Raw materials	Weighted average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Stock in transit	Invoice price plus related cost incurred up to the reporting date

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and an appropriate proportion of manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

5.4 Employee benefits

5.4.1 Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting standards. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

5.4.2 Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss with the exception of remeasurements which are recognized in other comprehensive income. The amount recognized on balance sheet represents the present value of defined benefit obligation. The details of the scheme are referred to in note 9.1 to the financial statements.

5.5 Financial instruments

5.5.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

5.5.2 Classification

The Company classifies its financial instruments into following classes depending on the purpose for which the financial assets and liabilities are acquired or incurred. The Company determines the classification of its financial assets and liabilities on initial recognition.

(a) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Assets in this category are presented as current assets except for maturities greater than twelve months from the reporting date, where these are presented as non-current assets.

(b) *Financial liabilities at amortized cost*

Non-derivative financial liabilities that are not financial liabilities at fair value through profit or loss are classified as financial liabilities at amortized cost. Financial liabilities in this category are presented as current liabilities except for maturities greater than twelve months from the reporting date where these are presented as non-current liabilities.

5.5.3 Measurement

The particular measurement methods adopted are disclosed in the individual policy statements associated with each instrument.

5.5.4 De-recognition

Financial assets are de-recognized if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are de-recognized if the Company's obligations specified in the contract expire or are discharged or cancelled. Any gain or loss on de-recognition of financial assets and financial liabilities is recognized in profit or loss.

5.5.5 Off-setting

A financial asset and a financial liability is offset and the net amount reported in the balance sheet if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Notes to and forming part of financial statements for the year ended June 30, 2016

5.6 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

5.7 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis.

5.8 Finance leases

Leases in terms of which the Company assumes substantially all risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are classified as 'operating fixed assets'. On initial recognition, these are measured at cost, being an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, these are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation, subsequent expenditure, de-recognition, and gains and losses on de-recognition are accounted for in accordance with the respective policies for operating fixed assets. Liabilities against assets subject to finance lease and deposits against finance lease are classified as 'financial liabilities at amortized cost' and 'loans and receivables' respectively, however, since they fall outside the scope of measurement requirements of IAS 39 'Financial Instruments - Recognition and Measurement', these are measured in accordance with the requirements of IAS 17 'Leases'. On initial recognition, these are measured at cost, being their fair value at the date of commencement of lease, less attributable transaction costs. Subsequent to initial recognition, minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Deposits against finance leases, subsequent to initial recognition are carried at cost.

5.9 Operating leases

Leases that do not transfer substantially all risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in profit or loss on a straight line basis over the lease term.

5.10 Trade and other payables

5.10.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.10.2 Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

5.11 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

5.12 Trade and other receivables

5.12.1 Financial assets

These are classified as 'loans and receivables'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.12.2 Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

Notes to and forming part of financial statements for the year ended June 30, 2016

5.13 Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of returns allowances, trade discounts and rebates, and represents amounts received or receivable for goods and services provided and other income earned in the normal course of business. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of revenue and the associated costs incurred or to be incurred can be measured reliably.

Revenue from different sources is recognized as follows:

Revenue from sale of goods is recognized when risks and rewards incidental to the ownership of goods are transferred to the buyer. Transfer of risks and rewards vary depending on the individual terms of the contract of sale. Transfer usually occurs on dispatch of goods to customers.

Export rebate is recognized at the same time when revenue from export sales is recognized.

Interest income is recognized using effective interest method.

5.14 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ('OCI'). OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards, and is presented in 'statement of profit or loss and other comprehensive income'.

5.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

5.16 Income tax

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

5.16.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

5.16.2 Deferred taxation

Deferred tax is accounted for using the 'balance sheet approach' providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by The Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5.17 Government grants

Government grants that compensate the Company for expenses or losses already incurred are recognized in profit or loss in the period in which these are received and are deducted in reporting the relevant expenses or losses.

5.18 Earnings per share ('EPS')

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

5.19 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at banks. These, with the exception of cash in hand, are classified as 'loans and receivables' and are carried at amortized cost. Cash in hand is carried at cost.

5.20 Foreign currency transactions and balances

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate prevailing at the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to functional currency at exchange rate prevailing at the date of initial recognition. Any gain or loss arising on translation of foreign currency transactions and balances is recognized in profit or loss.

5.21 Impairment

5.21.1 Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

5.21.2 Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

5.22 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and it sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as complete sale within one year from the date of classification. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell. The amount of write-down to fair value less costs to sell, if any, is recognized in profit or loss as impairment loss.



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

5.23 Dividend distribution to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed/unpaid, in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

	2016 Rupees	2015 Rupees
6 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
6,432,000 (2015: 6,432,000) ordinary shares of Rs. 10 each issued for cash	64,320,000	64,320,000

7 GENERAL RESERVE

General reserve is primarily being maintained to have adequate resources for future requirements and business operations.

8 LONG TERM FINANCES - SECURED

Note

These represent long term finances utilized under interest/mark-up arrangements from banking companies

Term Finances ('TF')

TF - I	8.1	-	8,550,000
TF - II	8.2	-	3,798,262
TF - III	8.3	53,038,244	106,076,496
TF - IV	8.4	776,875,468	952,771,804
TF - V	8.5	12,440,282	15,256,946
TF - VI	8.6	16,945,679	18,486,195
TF - VII	8.7	23,881,966	26,053,054
TF - VIII	8.8	14,797,040	17,912,208
TF - IX	8.9	9,975,000	12,075,000
TF - X	8.10	23,033,000	23,033,000
TF - XI	8.11	15,386,000	-
TF - XII	8.12	19,295,000	-

965,667,679 1,184,012,965

Long Term Finances Facilities (LTFF)

LTFEOP - I	8.13	-	28,516,249
LTFEOP - II	8.14	-	83,240,501
LTFEOP - III	8.15	-	28,887,000
LTFEOP - IV	8.16	-	19,579,000
LTFF - V	8.17	218,846,000	-
LTFF - VI	8.18	226,722,000	-
LTFF - VII	8.19	219,090,000	-

664,658,000 160,222,750

1,630,325,679 1,344,235,715

Current maturity presented under current liabilities

11

(254,009,628) (280,491,820)

1,376,316,051 1,063,743,895

8.1 The finance was obtained from MCB Bank Limited to finance capital expenditure and was secured by charge over operating fixed assets of the Company. The finance carried interest/mark-up at three months KIBOR plus 2% per annum, payable quarterly. The finance has been fully repaid during the year.

8.2 The finance was obtained from Meezan Bank Limited to finance capital expenditure and was secured by charge over operating fixed assets of the Company. The finance carried interest/mark-up at three months KIBOR plus 1.25% per annum, payable quarterly. The finance has been fully repaid during the year.

8.3 The finance has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 1.25% per annum (2015: three months KIBOR plus 1.25% per annum) payable quarterly. The finance is repayable in sixteen equal quarterly installments with the first installment due in July 2013.

Notes to and forming part of financial statements for the year ended June 30, 2016

- 8.4** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 0.45% per annum (2015: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in seventy two equal monthly installments with the first installment due in December 2014.
- 8.5** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 0.45% per annum (2015: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in seventy two equal monthly installments with the first installment due in December 2014.
- 8.6** The finance has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 0.65% per annum (2015: three months KIBOR plus 0.65% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in January 2016.
- 8.7** The finance has been obtained from Meezan Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 0.65% per annum (2015: three months KIBOR plus 0.65% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in January 2016.
- 8.8** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 0.45% per annum (2015: three months KIBOR plus 0.45% per annum), payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in June 2015.
- 8.9** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 0.45% per annum, payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in September 2016.
- 8.10** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 0.45% per annum, payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in September 2016.
- 8.11** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 0.45% per annum, payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in September 2016.
- 8.12** The finance has been obtained from MCB Bank Limited to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at three months KIBOR plus 0.45% per annum, payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in September 2016.
- 8.13** The finance was obtained from MCB Bank Limited to finance capital expenditure and was secured by charge over operating fixed assets of the Company. The finance carried interest/mark-up at 8.85% per annum payable quarterly. The finance has been fully repaid during the year.
- 8.14** The finance was obtained from MCB Bank Limited to finance capital expenditure and was secured by charge over operating fixed assets of the Company. The finance carried interest/mark-up at 8.85% per annum payable quarterly. The finance has been fully repaid during the year.
- 8.15** The finance was obtained from MCB Bank Limited to finance capital expenditure and was secured by charge over operating fixed assets of the Company. The finance carried interest/mark-up at 8.85% per annum payable quarterly. The finance has been fully repaid during the year.
- 8.16** The finance was obtained from MCB Bank Limited to finance capital expenditure and was secured by charge over operating fixed assets of the Company. The finance carried interest/mark-up at 8.85% per annum payable quarterly. The finance has been fully repaid during the year.

Notes to and forming part of financial statements for the year ended June 30, 2016

8.17 The finance has been obtained from MCB Bank Limited under LTFF scheme of SBP to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in May 2018.

8.18 The finance has been obtained from MCB Bank Limited under LTFF scheme of SBP to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in May 2018.

8.19 The finance has been obtained from MCB Bank Limited under LTFF scheme of SBP to finance capital expenditure and is secured by charge over operating fixed assets of the Company. The finance carries interest/mark-up at 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in June 2018.

8.20 For mortgages and charges on assets as security for liabilities, refer to note 42 to the financial statements.

9 DEFERRED LIABILITIES

	<i>Note</i>	2016 Rupees	2015 Rupees
These include the following:			
Employees retirement benefits	9.1	91,759,993	97,273,380
Long term payables - Secured	9.2	38,541,319	28,821,638
Deferred taxation	9.3	89,560,990	53,682,178
		219,862,302	179,777,196

9.1 Employees retirement benefits

The Company operates an unfunded gratuity scheme, a defined benefit plan, for all its employees who have completed the minimum qualifying service period. Under the scheme, the Company pays a lump-sum benefit equal to last drawn monthly gross salary for each year of service to scheme members whereas the members of the scheme are not required to make any contributions to the scheme. The scheme is administered by the management of the Company under the supervision and directions of the Board of Directors of the Company.

The amount recognized in balance sheet represents present value of defined benefit obligation.

9.1.1 Movement in present value of defined benefit obligation

As at beginning of the year		97,273,380	75,912,100
Charged to profit or loss during the year	9.1.2	41,773,046	33,531,232
Benefits paid during the year		(26,680,581)	(19,217,161)
Actuarial (gain)/loss arising during the year	9.1.2	(20,605,852)	7,047,209
As at end of the year		91,759,993	97,273,380

9.1.2 Charge to profit or loss

Current service cost		32,960,072	23,285,157
Interest cost		8,812,974	10,246,075
		41,773,046	33,531,232

9.1.3 The charge to profit or loss has been allocated as follows

Cost of sales	24.2	27,259,964	21,881,579
Administrative and general expenses	26.1	14,513,082	11,649,653
		41,773,046	33,531,232

9.1.4 Remeasurements recognized in other comprehensive income

Actuarial (gain)/loss arising from changes in:			
Demographic assumptions		-	-
Financial assumptions		(1,377,462)	-
Experience adjustments		(19,228,390)	7,047,209
		(20,605,852)	7,047,209

Notes to and forming part of financial statements for the year ended June 30, 2016

9.1.5 Principal actuarial assumptions

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date is based on actuarial valuation carried out by independent actuaries whereas the liability as at June 30, 2015 was determined by the management of the Company based on internal estimates. The principal assumptions used in determining present value of defined benefit obligation are:

	2016	2015
Discount rate		
Short term	9.00%	10.50%
Long term	8.00%	10.50%
Expected rates of increase in salary	9.00%	10.50%
Withdrawal rate	Moderate	Low

9.1.6 Average duration of the defined benefit plan

The average duration of the defined benefit obligation is 13.1 years.

9.1.7 Expected charge to profit or loss for the next financial year

The expected charge to profit or loss for the year ending June 30, 2017 amounts to Rs. 41.773 million.

9.1.8 Sensitivity analysis

An analysis of sensitivity for discount rate and expected rate of increase in salary used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:

	2016		2015	
	Change in actuarial assumption	Defined benefit obligation Rupees	Change in actuarial assumption	Defined benefit obligation Rupees
Discount rate	+ 1%	80,915,343	+ 1%	85,927,577
	- 1%	105,033,262	- 1%	108,897,631
Expected rate of increase in salary	+ 1%	105,357,845	+ 1%	109,226,886
	- 1%	80,477,078	- 1%	85,489,903

A change in expected withdrawal rates is not expected to have a material impact on the present value of defined benefit obligation. Accordingly, the sensitivity analysis for the same has not been carried out.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

9.1.5 Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

Interest risk: The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on Pakistan Investment Bonds since there is no deep market in long term corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease in the defined benefit liability.

Longevity risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the withdrawal rates of employees. An increase in the expected withdrawal rates will decrease the defined benefit obligation. However, the decrease is not expected to be material.

Salary risk: The present value of defined benefit obligation is calculated by reference to future salaries of employees. An increase in salary of employees will increase the defined benefit obligation.

Notes to and forming part of financial statements for the year ended June 30, 2016

9.2 Long Term Payables - Secured

This represents infrastructure cess levied by Excise and Taxation Officer ('ETO') Government of Sindh on movement of imported goods entering the Sindh Province from outside Pakistan. The Company and others have filed a suit before the Sindh High Court ('SHC') challenging the levy. The Supreme Court of Pakistan through order has declared all levies and collections before December 26, 2008 to be invalid. During the pendency of decision on the levies and collections on or after December 26, 2008, SHC has directed the petitioners to pay 50% of liability for levies on or after December 26, 2008 to ETO and to arrange bank guarantees for the remaining amount in favour of ETO. The liability represents 50% of levies after December 26, 2008 against which guarantees have been arranged in favour of ETO (see note 13.1.1).

	Note	2016 Rupees	2015 Rupees
9.3 Deferred taxation			
Deferred tax liability on taxable temporary differences	9.3.1	189,195,392	135,106,094
Deferred tax asset on deductible temporary differences	9.3.1	(99,634,402)	(81,423,916)
		<u>89,560,990</u>	<u>53,682,178</u>

9.3.1 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2016			
	As at July 01 2015 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at June 30 2016 Rupees
Deferred tax liabilities				
Operating fixed assets	135,106,094	54,089,298	-	189,195,392
	<u>135,106,094</u>	<u>54,089,298</u>	<u>-</u>	<u>189,195,392</u>
Deferred tax assets				
Employees retirement benefits	(13,001,058)	(4,309,141)	3,174,376	(14,135,823)
Accumulated impairment	(4,148,078)	(753,924)	-	(4,902,002)
Unused tax losses and credits	(64,274,780)	(16,321,797)	-	(80,596,577)
	<u>(81,423,916)</u>	<u>(21,384,862)</u>	<u>3,174,376</u>	<u>(99,634,402)</u>
	<u>53,682,178</u>	<u>32,704,436</u>	<u>3,174,376</u>	<u>89,560,990</u>
	2015			
	As at July 01 2014 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at June 30 2015 Rupees
Deferred tax liabilities				
Operating fixed assets	33,494,366	101,611,728	-	135,106,094
	<u>33,494,366</u>	<u>101,611,728</u>	<u>-</u>	<u>135,106,094</u>
Deferred tax assets				
Employees retirement benefits	(4,783,417)	(7,275,747)	(941,894)	(13,001,058)
Accumulated impairment	(2,298,755)	(1,849,323)	-	(4,148,078)
Unused tax losses and credits	-	(69,728,928)	-	(64,274,780)
	<u>(7,082,172)</u>	<u>(78,853,998)</u>	<u>(941,894)</u>	<u>(81,423,916)</u>
	<u>26,412,194</u>	<u>22,757,730</u>	<u>(941,894)</u>	<u>53,682,178</u>

9.3.2 Revenue from export sales of the Company is subject to taxation under the final tax regime, while the remaining portion of revenue attracts assessment under normal provisions of the Ordinance. Deferred tax is provided for only that portion of timing differences that represent income taxable under normal provisions of the Ordinance. These differences are calculated at that proportion of total timing differences that the local sales, other than the indirect exports taxable under section 154 (3) of the Ordinance, bear to the total sales revenue based on historical and future trends. Deferred tax has been calculated at 31% (2015: 32%) of the timing differences so determined based on tax rates notified by the Government of Pakistan for future tax years.



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

	Note	2016 Rupees	2015 Rupees
10 TRADE AND OTHER PAYABLES			
Trade creditors - <i>Unsecured</i>		153,857,383	128,522,651
Accrued liabilities		147,866,945	189,247,484
Advances from customers - <i>Unsecured</i>		10,123,689	9,744,429
Workers' Profit Participation Fund	10.1	7,010,437	6,481,194
Workers' Welfare Fund	10.2	4,994,542	7,269,827
Unclaimed dividend		2,755,727	2,520,822
Other payables - <i>Unsecured</i>		3,657,373	3,304,449
		<u>330,266,096</u>	<u>347,090,856</u>
10.1 Workers' Profit Participation Fund			
As at beginning of the year		6,481,194	13,366,463
Interest on funds utilized by the Company	10.1.1	546,018	364,665
Charged to profit or loss for the year	29	7,010,437	6,481,194
Paid during the year		(7,027,212)	(13,731,128)
As at end of the year		<u>7,010,437</u>	<u>6,481,194</u>
10.1.1 Interest is charged at 37.5% (2015: 18.75%) per annum.			
10.2 Workers' Welfare Fund			
As at beginning of the year		7,269,827	33,921,297
Charged to profit or loss for the year	29	2,611,731	2,381,530
Paid/adjusted during the year		(4,887,016)	(29,033,000)
As at end of the year		<u>4,994,542</u>	<u>7,269,827</u>
11 CURRENT MATURITY OF NON-CURRENT LIABILITIES			
Long term finances - <i>Secured</i>	8	254,009,628	280,491,820
		<u>254,009,628</u>	<u>280,491,820</u>
12 SHORT TERM BORROWINGS - SECURED			
These represent short term finances utilized under interest/mark-up arrangements from banking companies			
Running finances		61,163,760	-
Term loans		1,092,548,194	380,500,000
		<u>1,153,711,954</u>	<u>380,500,000</u>

12.1 These facilities has been obtained from various banking companies for working capital requirements and are secured by charge over current assets of the Company and demand promissory notes.

Interest/mark-up on term loans is payable along with principal on maturity and that on running finances is payable quarterly. These finances carry mark-up at rates ranging from one to three months KIBOR plus 0.1% to 1.25% per annum (2015: one to three months KIBOR plus 0.1% to 1.25% per annum).

The aggregate available short term funded facilities amounts to Rs. 4,015 million (2015: Rs. 4,415 million) out of which Rs. 2,861 million (2015: Rs. 4,034 million) remained unavailed as at the reporting date.

12.2 For mortgages and charges on assets as security for liabilities, refer to note 42 to the financial statements.



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 Guarantees issued by banks on behalf of the Company as at the reporting date amount to Rs. 104.414 million (2015: Rs. 94.064 million), however the Company has already recognized related liability amounting to Rs. 38.967 million (2015: Rs. 28.8 million). See note 9.2.

13.1.2 Bills discounted/negotiated as at the reporting date amount to Rs. 15.225 million (2015: Rs. 10.050 million).

13.1.3 The Company has issued post dated cheques collectively amounting to Rs. 251.351 million (2015: Rs. 79.458 million) in favour of Sales Tax Department in lieu of levies under various statutory notifications and these are likely to be released after fulfillment of the terms of related notifications.

13.2 Commitments

Note

2016
Rupees

2015
Rupees

13.2.1 Commitments under irrevocable letters of credit for:

- purchase of stores, spares and loose tools
- purchase of raw material

127,011	3,421,433
383,212,049	22,876,325
383,339,060	26,297,758

13.2.2 Commitments for capital expenditure

563,480,050	40,169,439
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14 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

14.1

3,511,366,822

3,025,391,060

Capital work in progress

14.2

1,312,395

26,841,448

3,512,679,217

3,052,232,508

14.1 Operating fixed assets

	2016												Net book value as at June 30, 2016
	COST					As at June 30, 2016 Rupees	Rate %	DEPRECIATION			As at June 30, 2016 Rupees		
	As at July 01, 2015 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	Classified as held for sale Rupees			As at July 01, 2015 Rupees	For the year Rupees	Adjustment Rupees			
Freehold land	67,706,856	2,566,172	-	16,819,710	-	87,092,738	-	-	-	-	-	-	87,092,738
Buildings on freehold land													
Factory buildings	435,950,178	-	-	3,272,195	-	439,222,373	10	302,783,543	47,199,905	-	349,983,448	-	89,238,925
Non-factory buildings	461,465,102	-	-	-	-	461,465,102	5	33,154,128	4,528,953	-	37,683,081	-	423,782,021
	897,415,280	-	-	3,272,195	-	900,687,475		335,937,671	51,728,858	-	387,666,529	-	513,020,946
Plant and machinery	3,893,344,191	-	(160,887,501)	809,879,171	-	4,542,335,861	10	1,636,808,692	243,436,993	(115,486,465)	1,764,759,220	-	2,777,576,641
Equipment and other assets	92,683,691	5,384,752	(8,463,546)	-	-	89,604,897	25-35	87,686,319	2,265,447	(5,582,061)	84,369,705	-	5,235,192
Electric installations	118,598,338	-	-	1,601,704	-	120,200,042	10	26,467,259	4,613,444	-	31,080,703	-	89,119,339
Office equipment - head office	4,919,754	-	-	-	-	4,919,754	10	3,833,157	20,225	-	3,853,382	-	1,066,372
Office equipment - factory	2,773,815	-	-	-	-	2,773,815	10	1,802,413	123,560	-	1,925,973	-	847,842
Furniture and fixtures - head office	199,098	-	-	-	-	199,098	10	155,609	4,349	-	159,958	-	39,140
Furniture and fixtures - factory	6,971,397	-	-	-	-	6,971,397	10	4,867,279	210,413	-	5,077,692	-	1,893,705
Vehicles	72,335,956	5,700,630	(3,803,150)	-	-	74,233,436	20	33,998,917	7,719,624	(2,960,012)	38,758,529	-	35,474,907
	5,156,948,376	13,651,554	(173,154,197)	831,572,780	-	5,829,018,513		2,131,557,316	310,122,913	(124,028,538)	2,317,651,691	-	3,511,366,822



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

	2015											
	COST					Classified as held for sale	As at		DEPRECIATION			Net book value as at June 30, 2015
	As at July 01, 2014	Additions	Disposals	Transfers	As at June 30, 2015		Rate	As at July 01, 2014	For the year	Adjustment	As at June 30, 2015	
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	Rupees	
Freehold land	60,574,595	23,951,971	-	-	(16,819,710)	67,706,856	-	-	-	-	-	67,706,856
Buildings on freehold land												
Factory buildings	373,629,865	-	-	62,320,313	-	435,950,178	10	255,952,425	46,831,118	-	302,783,543	133,166,635
Non-factory buildings	413,957,202	-	-	47,507,900	-	461,465,102	5	28,803,546	4,350,582	-	33,154,128	428,310,974
	787,587,067	-	-	109,828,213	-	897,415,280		284,755,971	51,181,700	-	335,937,671	561,477,609
Plant and machinery	3,863,237,558	-	(87,226,773)	117,333,406	-	3,893,344,191	10	1,455,673,877	245,357,806	(64,222,991)	1,636,808,692	2,256,535,499
Equipment and other assets	91,558,691	1,125,000	-	-	-	92,683,691	25-35	80,767,025	6,919,294	-	87,686,319	4,997,372
Electric installations	30,580,695	-	-	88,017,643	-	118,598,338	10	17,308,607	9,158,652	-	26,467,259	92,131,079
Office equipment - head office	4,919,754	-	-	-	-	4,919,754	10	3,712,423	120,734	-	3,833,157	1,086,597
Office equipment - factory	2,773,815	-	-	-	-	2,773,815	10	1,400,922	401,491	-	1,802,413	971,402
Furniture and fixtures - head office	199,098	-	-	-	-	199,098	10	150,777	4,832	-	155,609	43,489
Furniture and fixtures - factory	6,971,397	-	-	-	-	6,971,397	10	4,633,489	233,790	-	4,867,279	2,104,118
Vehicles	72,834,736	2,097,930	(2,596,710)	-	-	72,335,956	20	26,676,471	9,347,374	(2,024,928)	33,998,917	38,337,039
	<u>4,921,237,406</u>	<u>27,174,901</u>	<u>(89,823,483)</u>	<u>315,179,262</u>	<u>(16,819,710)</u>	<u>5,156,948,376</u>		<u>1,875,079,562</u>	<u>322,725,673</u>	<u>(66,247,919)</u>	<u>2,131,557,316</u>	<u>3,025,391,060</u>

14.1.1 Disposal of property, plant and equipment

	2016						
	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain on disposal Rupees	Mode of disposal	Particulars of buyer
Plant and machinery							
50 Air jet looms	116,044,501	84,986,182	31,058,319	55,778,832	24,720,513	Negotiation	MOM Tex (Private) Limited, Bangladesh
12 Air jet looms	44,843,000	30,500,283	14,342,717	20,542,925	6,200,208	Negotiation	Nannu Textile Limited, Bangladesh
	<u>160,887,501</u>	<u>115,486,465</u>	<u>45,401,036</u>	<u>76,321,757</u>	<u>30,920,721</u>		
Equipment and other assets							
Reeds and other accessories	2,569,593	2,355,376	214,217	-	(214,217)	Negotiation	MOM Tex (Private) Limited, Bangladesh
Reeds and other accessories	4,768,953	2,914,188	1,854,765	-	(1,854,765)	Negotiation	MOM Tex (Private) Limited, Bangladesh
Reeds and other accessories	1,125,000	312,497	812,503	-	(812,503)	Negotiation	Nannu Textile Limited, Bangladesh
	<u>8,463,546</u>	<u>5,582,061</u>	<u>2,881,485</u>	<u>-</u>	<u>(2,881,485)</u>		
Vehicles							
Honda City - LEB-06-5967	915,890	802,693	113,197	250,000	136,803	Negotiation	Toyota Township, Lahore
Toyota Corolla LEA 7368	1,443,630	1,075,046	368,584	500,000	131,416	Negotiation	Toyota Township, Lahore
Toyota Corolla LEA 7369	1,443,630	1,082,273	361,357	500,000	138,643	Negotiation	Toyota Township, Lahore
	<u>3,803,150</u>	<u>2,960,012</u>	<u>843,138</u>	<u>1,250,000</u>	<u>406,862</u>		
	<u>173,154,197</u>	<u>124,028,538</u>	<u>49,125,659</u>	<u>77,571,757</u>	<u>28,446,098</u>		
	2015						
	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain on disposal Rupees	Mode of disposal	Particulars of buyer
Plant and machinery							
Ring Frames China FA 506	9,467,082	8,428,866	1,038,216	1,500,000	461,784	Negotiation	Quetta Textile Mills Limited
Ring Frames China FA 506	14,200,623	12,656,277	1,544,346	2,250,000	705,654	Negotiation	Khalid Saeed Ghani, Lahore
Ring Frames China FA 506	7,889,235	7,031,265	857,970	1,250,000	392,030	Negotiation	Quetta Textile Mills Limited
Ring Frames China FA 507	6,311,388	5,630,780	680,608	1,000,000	319,392	Negotiation	Quetta Textile Mills Limited
Autocones	17,268,936	15,344,690	1,924,246	2,328,000	403,754	Negotiation	Textech Indo India (Private) Limited
Generator	32,089,509	15,131,113	16,958,396	17,000,000	41,604	Market value	Bhanero Energy Limited
	<u>87,226,773</u>	<u>64,222,991</u>	<u>23,003,782</u>	<u>25,328,000</u>	<u>2,324,218</u>		
Vehicles							
Toyota Corolla - LZS 717	1,241,880	1,124,091	117,789	200,000	82,211	Negotiation	Asif Khan, Lahore
Suzuki Alto - LED-09-3229	660,620	472,710	187,910	260,000	72,090	Negotiation	Rehan Akhtar, Lahore
Suzuki Alto - LED-11-2508	694,210	428,127	266,083	300,000	33,917	Negotiation	Athar Ahmed Khan, Lahore
	<u>2,596,710</u>	<u>2,024,928</u>	<u>571,782</u>	<u>760,000</u>	<u>188,218</u>		
	<u>89,823,483</u>	<u>66,247,919</u>	<u>23,575,564</u>	<u>26,088,000</u>	<u>2,512,436</u>		

Notes to and forming part of financial statements for the year ended June 30, 2016

14.1.2 Transfers represent transfers from capital work in progress on related assets becoming available for use and assets reclassified from 'non-current assets held for sale'

	Note	2016 Rupees	2015 Rupees
14.1.3 The depreciation charge for the year has been allocated as follows:			
Cost of sales	24	302,044,742	312,617,452
Administrative and selling expenses	26	8,078,171	10,108,221
		<u>310,122,913</u>	<u>322,725,673</u>

14.2 Capital work in progress

	2016			As at June 30, 2016 Rupees
	As at July 01, 2015 Rupees	Additions Rupees	Transfers Rupees	
Buildings on freehold land	1,127,552	2,144,643	(3,272,195)	-
Plant and machinery	25,713,896	785,477,670	(809,879,171)	1,312,395
Electric Installations	-	1,601,704	(1,601,704)	-
	<u>26,841,448</u>	<u>789,224,017</u>	<u>(814,753,070)</u>	<u>1,312,395</u>
	2015			As at June 30, 2015 Rupees
	As at July 01, 2015 Rupees	Additions Rupees	Transfers Rupees	
Buildings on freehold land	81,664,045	29,291,720	(109,828,213)	1,127,552
Plant and machinery	79,580,644	63,466,658	(117,333,406)	25,713,896
Electric Installations	30,030,441	57,987,202	(88,017,643)	-
	<u>191,275,130</u>	<u>150,745,580</u>	<u>(315,179,262)</u>	<u>26,841,448</u>

15 LONG TERM DEPOSITS

These have been deposited with various utility companies and regulatory authorities. These are classified as 'loans and receivables' under IAS 39 'Financial Instruments - Recognition and Measurement' which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

	2016 Rupees	2015 Rupees
16 STORES, SPARES AND LOOSE TOOLS		
Stores, spares and loose tools	<u>64,913,402</u>	<u>67,452,235</u>

16.1 It is impracticable to distinguish stores, spares and loose tools, each from the other.

16.2 There are no spare parts exclusively held for capitalization as at the reporting date.

17 STOCK IN TRADE

	Note	2016 Rupees	2015 Rupees
Raw material		1,211,885,677	861,164,939
Work in process		98,794,202	85,254,654
Finished goods	17.1	281,885,074	240,259,662
		<u>1,592,564,953</u>	<u>1,186,679,255</u>

17.1 Stock of finished goods include stock of waste valued at Rs. 303,894 (2015: Rs.453,613). The entire stock of waste is valued at net realizable value.



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

	<i>Note</i>	2016 <i>Rupees</i>	2015 <i>Rupees</i>
18 TRADE DEBTS			
Local - <i>unsecured</i>			
considered good		290,389,255	153,053,404
considered doubtful		30,735,752	31,309,752
		321,125,007	184,363,156
Foreign - <i>secured</i>	18.1	12,075,533	81,262,122
		333,200,540	265,625,278
Accumulated impairment	18.2	(30,735,752)	(31,035,752)
		302,464,788	234,589,526
18.1 These are secured through letters of credit			
18.2 Movement in accumulated impairment is as follows:			
As at beginning of the year		31,035,752	31,259,752
Reversed during the year on recovery	27	(300,000)	(224,000)
As at end of the year		30,735,752	31,035,752
19 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances to suppliers - <i>unsecured, considered good</i>		33,587,798	19,634,697
Advances to employees - <i>unsecured, considered good</i>		9,753,427	6,988,339
Prepayments		18,574,014	471,138
Security deposits	19.1	39,070,113	29,292,877
Letters of credit		307,492	2,812,293
Other receivables - <i>unsecured</i>	19.2	3,208,826	2,557,868
		104,501,670	61,757,212
19.1 These include Rs. 39,065,113 (2015: Rs. 28,617,877) deposited with a banking company against bank guarantees and carry a return at rates ranging from 4.5% to 6% (2015: 6% to 8%) per annum.			
19.2 Particulars of other receivables			
Considered good		3,208,826	2,557,868
Considered doubtful		99,583	99,583
		3,308,409	2,657,451
Accumulated impairment	19.2.1	(99,583)	(99,583)
		3,208,826	2,557,868
19.2.1 Movement in accumulated impairment is as follows:			
As at beginning of the year		99,583	99,583
Recognized during the year		-	-
As at end of the year		99,583	99,583
20 CURRENT TAXATION			
Advance income tax/income tax refundable		272,000,389	210,186,946
Provision for taxation	30	-	(1,523,173)
		272,000,389	208,663,773
21 BANK BALANCES			
Cash at banks			
local currency		62,617,288	53,632,999
foreign currency		2,627,736	3,554,027
		65,245,024	57,187,026



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

22 NON-CURRENT ASSETS HELD FOR SALE

This represents freehold land, the Company intended to dispose off during the year. However, the asset is unsold as at June 30, 2016 and no longer meets the conditions for classification as 'non-current asset held for sale' as laid down by IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations. Accordingly, it has been classified and presented as 'owner-occupied property'. See note 14.1.

23 SALES - NET

	2016		
	Local Rupees	Export Rupees	Total Rupees
Yarn	2,373,696,205	2,436,556,947	4,810,253,152
Fabric	1,446,081,983	501,389,504	1,947,471,487
Cotton and polyester	133,005,385	-	133,005,385
Waste and other	69,712,904	-	69,712,904
	4,022,496,477	2,937,946,451	6,960,442,928
Duty drawback on export	-	365,752	365,752
Trade discount	-	-	-
Sales tax	(114,064,188)	-	(114,064,188)
	3,908,432,289	2,938,312,203	6,846,744,492

	2015		
	Local Rupees	Export Rupees	Total Rupees
Yarn	2,257,196,368	2,962,745,907	5,219,942,275
Fabric	1,381,380,743	788,673,036	2,170,053,779
Cotton	236,072,614	-	236,072,614
Waste and other	83,929,379	-	83,929,379
	3,958,579,104	3,751,418,943	7,709,998,047
Duty drawback on export	-	294,433	294,433
Trade discount	-	-	-
Sales tax	(87,006,996)	-	(87,006,996)
	3,871,572,108	3,751,713,376	7,623,285,484

	Note	2016 Rupees	2015 Rupees
24 COST OF SALES			
Raw material consumed	24.1	4,453,760,830	4,621,680,766
Stores, spares and loose tools consumed		194,681,200	223,192,639
Salaries, wages and benefits	24.2	478,663,294	432,116,573
Fee and subscription		731,280	12,000
Fuel and power		762,513,711	920,607,463
Insurance		18,380,237	19,413,584
Vehicle running and maintenance		7,560,569	6,319,016
Rent, rates and taxes		426,031	237,639
Repair and maintenance		6,314,074	8,900,298
Communication		1,031,244	532,840
Traveling, conveyance and entertainment		1,030,708	999,483
Depreciation	14.1.3	302,044,742	312,617,452
Others		2,675,490	3,435,599
Manufacturing cost		6,229,813,410	6,550,065,352



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

	Note	2016 Rupees	2015 Rupees
Work in process			
As at beginning of the year		85,254,654	100,531,563
Loss of work in process		-	-
As at end of the year		(98,794,202)	(85,254,654)
		(13,539,548)	15,276,909
Cost of goods manufactured		6,216,273,862	6,565,342,261
Cost of cotton sold	24.3	137,424,990	228,436,791
Finished goods			
As at beginning of the year		240,259,662	395,441,611
Purchased during the year		13,625,575	24,094,428
Loss due to theft		(90,000)	-
As at end of the year		(281,885,074)	(240,259,662)
		(28,089,837)	179,276,377
		<u>6,325,609,015</u>	<u>6,973,055,429</u>
24.1 Raw material consumed			
As at beginning of the year		861,164,939	989,066,654
Purchased during the year		4,939,106,363	4,720,913,360
Sold during the year		(134,624,795)	(227,134,309)
As at end of the year		(1,211,885,677)	(861,164,939)
		<u>4,453,760,830</u>	<u>4,621,680,766</u>
24.2 These include charge in respect of employees retirement benefits amounting to Rs. 27,259,964 (2015: Rs. 21,881,579).			
	Note	2016 Rupees	2015 Rupees
24.3 Cost of cotton sold			
Cost of purchase		131,210,228	220,872,972
Salaries, wages and benefits		609,432	620,000
Loading and unloading		13,934	24,017
Insurance		1,186,052	2,049,258
Commission		-	975,822
Finance cost		4,405,344	3,894,722
		<u>137,424,990</u>	<u>228,436,791</u>
25 SELLING AND DISTRIBUTION EXPENSES			
Export			
Ocean freight and forwarding		54,743,790	81,440,452
Export development surcharge		7,711,760	7,989,468
Export sales promotion		262,703	1,093,154
Commission		38,674,432	48,294,612
Others		931,907	2,427,041
		<u>102,324,592</u>	<u>141,244,727</u>
Local			
Inland transportation		1,512,483	1,491,321
Salaries, wages and benefits		-	115,092
Commission		22,911,185	19,710,263
Others		265,920	866,302
		<u>24,689,588</u>	<u>22,182,978</u>
		<u>127,014,180</u>	<u>163,427,705</u>



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

	<i>Note</i>	2016 Rupees	2015 Rupees
26 ADMINISTRATIVE AND GENERAL EXPENSES			
Directors' remuneration		14,400,000	14,400,000
Salaries and benefits	26.1	65,750,209	52,463,726
Traveling, conveyance and entertainment		5,154,102	2,507,231
Printing and stationery		810,517	1,085,741
Communication		1,399,374	1,433,578
Vehicles running and maintenance		4,985,242	5,689,709
Legal and professional charges		775,014	508,125
Auditors' remuneration	26.2	1,385,000	1,385,000
Fee and subscription		2,544,926	1,682,994
Repair and maintenance		86,200	441,760
Depreciation	14.1.3	8,078,171	10,108,221
Rent, rates and utilities		9,918,795	10,000,637
Oracle license and support fee		-	294,141
Others		1,382,643	518,226
		116,670,193	102,519,089
26.1 These include charge in respect of employees retirement benefits amounting to Rs. 14,513,082 (2015: Rs. 11,649,653).			
26.2 Auditor's remuneration			
Annual statutory audit		1,200,000	1,200,000
Half yearly review		125,000	125,000
Review report under Code of Corporate Governance		50,000	50,000
Out of pocket expenses		10,000	10,000
		1,385,000	1,385,000
27 OTHER INCOME			
Gain on financial instruments			
Reversal of impairment on trade debts on recovery	18.2	300,000	224,000
Return on bank deposits		1,071,724	1,769,828
		1,371,724	1,993,828
Other income			
Gain on disposal of property, plant and equipment	14.1.1	28,446,098	2,512,436
		29,817,822	4,506,264
28 FINANCE COST			
Interest / mark-up on borrowings:			
long term finances		86,712,322	147,198,891
short term borrowings		62,743,721	95,688,027
		149,456,043	242,886,918
Interest on workers' profit participation fund	10.1	546,018	364,665
Bank charges and commission	28.3	18,904,145	16,938,722
		168,906,206	260,190,305

28.1 Interest/mark-up on borrowings includes interest/mark-up rate subsidy amounting to Rs. nil (2015: Rs. 207,944) recognized as government grant. See note 33.

28.2 Interest/mark-up amounting to Rs. 7,153,375 (2015: nil) was capitalized during the year as part of cost of property, plant and equipment.

28.3 These include letters of credit discounting charges amounting to Rs. 16,601,153 (2015: Rs. 13,967,541).



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

	<i>Note</i>	2016 Rupees	2015 Rupees
29 OTHER CHARGES			
Workers' Profit Participation Fund	10.1	7,010,437	6,481,194
Workers' Welfare Fund	10.1	2,611,731	2,381,530
Donations	29.1	1,300,000	660,000
		10,922,168	9,522,724

29.1 None of the directors or their spouses had any interest in donations made by the Company.

30 CURRENT TAXATION

	<i>Note</i>	2016 Rupees	2015 Rupees
Current year	30.1	-	1,523,173
Prior year		(202,404)	-
		(202,404)	1,523,173

30.1 Provision for current tax has been made in accordance with section 18 and section 154 of the Income Tax Ordinance, 2001 ('the Ordinance'). Provision of income tax amounting to Rs. 70,832,246 (2015: Rs. 77,370,470) has been reduced on account of tax credit under Section 65 B of the Ordinance.

	<i>Unit</i>	2016	2015
30.2 Reconciliation between average effective tax rate and applicable tax rate			
Profit before taxation	<i>Rupees</i>	127,440,552	119,076,496
Provision for taxation	<i>Rupees</i>	32,502,032	37,075,866
Average effective tax rate	%	25.50	31.14
Tax effects of:			
Adjustments for prior years	%	0.16	-
Income chargeable to tax at different rates	%	(23.58)	(31.98)
Deferred taxation	%	(25.66)	(29.86)
Tax credit	%	55.58	63.70
Applicable tax rate	%	32.00	33.00

30.3 Assessments upto assessment year 2002-2003 have been finalized under the relevant provisions of the Repealed Income Tax Ordinance, 1979.

30.4 Assessments upto tax year 2015 have been finalized under relevant provisions of Income Tax Ordinance, 2001.

30.5 The Government of Pakistan vide Finance Act 2015 notified a reduced tax rate of 32% for tax year 2016 as compared to 33% applicable to previous year for Companies.

	2016 Rupees	2015 Rupees
31 DEFERRED TAXATION		
Attributable to origination and reversal of temporary differences	34,382,003	37,061,961
Attributable to changes in tax rates	(1,677,567)	(1,509,268)
	32,704,436	35,552,693

	<i>Unit</i>	2016	2015
32 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit attributable to ordinary shareholders	<i>Rupees</i>	94,938,520	82,000,630
Weighted average number of ordinary shares outstanding during the year	<i>No. of shares</i>	6,432,000	6,432,000
Earnings per share	<i>Rupees</i>	14.76	12.75

There is no diluting effect on the basic earnings per share of the Company.



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Notes to and forming part of financial statements for the year ended June 30, 2016

33 GOVERNMENT GRANTS

During the year, the Company recognized Rs. nil (2015: Rs. 207,944) as mark-up rate subsidy which has been accounted for as government grant in accordance with IAS 20 'Government Grants'. The amount has been deducted in reporting interest/mark-up expenses on relevant borrowings.

	Note	2016 Rupees	2015 Rupees
34 CASH GENERATED FROM OPERATIONS			
Profit before taxation		127,440,552	119,076,496
Adjustments for non-cash and other items			
Interest / markup on borrowings		149,456,043	242,886,918
Gain on disposal of property, plant and equipment		(28,446,098)	(2,512,436)
Provision for employees retirement benefits		41,773,046	33,531,232
Depreciation		310,122,913	322,725,673
		472,905,904	596,631,387
		600,346,456	715,707,883
Changes in working capital			
Stores, spares and loose tools		2,538,833	14,552,185
Stock in trade		(405,885,698)	298,360,573
Trade debts		(67,875,262)	18,358,611
Advances, deposits, prepayments and other receivables		(42,744,458)	2,459,716
Sales tax refundable		(130,515,107)	21,230,100
Long term deposits		-	(3,029,000)
Trade and other payables		(17,059,665)	(54,386,554)
Long term payables		9,719,681	2,967,167
		(651,821,676)	300,512,798
Cash generated from operations		(51,475,220)	1,016,220,681
35 CASH AND CASH EQUIVALENTS			
Bank balances	21	65,245,024	57,187,026
		65,245,024	57,187,026

36 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company.

Transactions with key management personnel are limited to payment of short term employee benefits only. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an orderly transaction between market participants at the date of transaction.

There are no balances with related parties as at the reporting date. Details of transactions with related parties is as follows:

36.1 Transactions with related parties

Nature of relationship	Nature of transactions	2016 Rupees	2015 Rupees
Associated companies	Sale of yarn	656,496,915	851,103,734
	Sale of fabric	15,229,460	9,349,181
	Sale of cotton	133,005,385	65,787,172
	Sale of machinery	-	17,000,000
	Sale of store and spares	-	7,100,264
	Purchase of cotton	22,299,405	22,592,032
	Purchase of yarn	172,791,349	295,131,578
	Purchase of fabric	6,594	-

Notes to and forming part of financial statements for the year ended June 30, 2016

Nature of relationship	Nature of transactions	2016 Rupees	2015 Rupees
	Purchase of machinery	8,424,000	-
	Purchase of electricity	535,101,924	326,613,266
	Services received	318,000	300,000
	Dividend paid	5,945,800	2,972,900
Key management personnel	Short term employee benefits	14,400,000	14,400,000
	Post employment benefits	-	-

37 FINANCIAL INSTRUMENTS

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

	2016		2015	
	Loans and receivables Rupees	Financial liabilities at amortized cost Rupees	Loans and receivables Rupees	Financial liabilities at amortized cost Rupees
Financial assets				
Long term deposits	14,154,095	-	14,154,095	-
Trade debts	302,464,788	-	234,589,526	-
Security deposits	39,070,113	-	29,292,877	-
Bank balances	65,245,024	-	57,187,026	-
	420,934,020	-	335,223,524	-
Financial liabilities				
Long term finances	-	1,630,325,679	-	1,344,235,715
Short term borrowings	-	1,153,711,954	-	380,500,000
Accrued interest/mark-up	-	27,158,358	-	30,427,313
Trade creditors	-	153,857,383	-	128,522,651
Accrued liabilities	-	147,866,945	-	189,247,484
Unclaimed dividend	-	2,755,727	-	2,520,822
	-	3,115,676,046	-	2,075,453,985
	420,934,020	3,115,676,046	335,223,524	2,075,453,985

38 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

38.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

38.1.1 Maximum exposure to credit risk

Credit risk principally arises from loans and receivables. The maximum exposure to credit risk as at the reporting date is as follows:



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Notes to and forming part of financial statements for the year ended June 30, 2016

	Note	2016 Rupees	2015 Rupees
Loans and receivables			
Long term deposits	15	14,154,095	14,154,095
Trade debts	18	302,464,788	234,589,526
Security deposits	19	39,070,113	29,292,877
Bank balances	21	65,245,024	57,187,026
		420,934,020	335,223,524

38.1.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

Customers	302,464,788	234,589,526
Utility companies and regulatory authorities	14,159,095	15,775,773
Banking companies and financial institutions	104,310,137	84,858,225
	420,934,020	335,223,524

38.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies. Credit quality of customers is assessed by reference to historical defaults rates and present ages.

(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to 'security deposits' and 'bank balances'. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company.

(b) Counterparties without external credit ratings

These include customers which are counter parties to 'trade debts' and utility companies and regulatory authorities which are counter parties to 'long term deposits'. Credit risk in respect of long term deposits is considered to be insignificant as non-performance by these parties is not expected. The Company is exposed to credit risk in respect of trade debts. The analysis of ages of trade debts as at the reporting date is as follows:

	2016		2015	
	Gross carrying amount Rupees	Accumulated Impairment Rupees	Gross carrying amount Rupees	Accumulated Impairment Rupees
Neither past due nor impaired	12,075,533	-	-	-
Past due by 0 to 6 months	223,568,970	-	232,047,835	-
Past due by 6 months to 1 year	49,305,300	-	-	-
Past due by more than 1 year	48,250,737	30,885,752	33,577,443	31,035,752
	333,200,540	30,885,752	265,625,278	31,035,752

The Company's one (2015: one) significant customer accounts for Rs.103.47 million (2015: Rs. 96.89 million) of trade debts as at the reporting date, apart from which, exposure to any single customer does not exceed 10% (2015: 10%) of trade debts. These significant customers have long standing business relationships with the Company and have a good payment record and accordingly non-performance by these customers is not expected. Further, trade debts amounting to Rs. 12.075 million (2015: Rs. 81.262 million) secured through letters of credit and thus do not carry any significant credit risk. The Company believes that impairment recognized in respect of trade debts past due is adequate and no further allowance is necessary based on historical default rates.

Notes to and forming part of financial statements for the year ended June 30, 2016

38.1.4 Collateral held

The Company does not hold any collateral to secure its financial assets with the exception of trade debts, which are partially secured through confirmed letters of credit.

38.1.5 Credit risk management

As mentioned in note 38.1.3 to the financial statements, the Company's financial assets do not carry significant credit risk, with the exception of trade debts, which are exposed to losses arising from any non-performance by customers. In respect of trade debts, the Company manages credit risk by limiting significant exposure to any single customer. Formal policies and procedures of credit management and administration of receivables are established and executed. In monitoring customer credit risk, the ageing profile of total receivables and individually significant balances, along with collection activities are reviewed on a regular basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis or confirmed letters of credit.

38.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

38.2.1 Exposure to liquidity risk

The followings is the analysis of contractual maturities of financial liabilities, including estimated interest/markup payments.

	2016				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	1,630,325,679	1,849,973,893	307,461,486	1,216,220,256	326,292,151
Short term borrowings	1,153,711,954	1,169,175,949	1,169,175,949	-	-
Accrued interest/mark-up	27,158,358	27,158,358	27,158,358	-	-
Trade creditors	153,857,383	153,857,383	153,857,383	-	-
Accrued liabilities	147,866,945	147,866,945	147,866,945	-	-
Unclaimed dividend	2,755,727	2,755,727	2,755,727	-	-
	3,115,676,046	3,350,788,255	1,808,275,848	1,216,220,256	326,292,151

	2015				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term finances	1,344,235,715	1,835,391,933	400,427,736	1,084,460,385	350,503,812
Short term borrowings	380,500,000	381,332,892	381,332,892	-	-
Accrued interest/mark-up	30,427,313	30,427,313	30,427,313	-	-
Trade creditors	128,522,651	128,522,651	128,522,651	-	-
Accrued liabilities	189,247,484	189,247,484	189,247,484	-	-
Unclaimed dividend	2,520,822	2,520,822	2,520,822	-	-
	2,075,453,985	2,567,443,095	1,132,478,898	1,084,460,385	350,503,812

38.2.2 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. The Company also maintains various lines of credit with banking companies.

Notes to and forming part of financial statements for the year ended June 30, 2016

38.3 Market risk

38.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency.

(a) Exposure to currency risk

The Company's exposure to currency risk as at the reporting date is as follows:

	2016				
	CHF Rupees	JPY Rupees	Euro Rupees	USD Rupees	Total Rupees
Financial assets					
Trade debts	-	-	-	12,075,533	12,075,533
Cash at bank	-	-	-	2,627,736	2,627,736
	-	-	-	14,703,269	14,703,269
Financial liabilities	-	-	-	-	-
Net balance sheet exposure	-	-	-	14,703,269	14,703,269
Foreign currency commitments	(219,042,500)	(31,576,600)	(316,558,019)	(379,641,991)	(946,819,110)
Net exposure	(219,042,500)	(31,576,600)	(316,558,019)	(364,938,722)	(932,115,841)
	2015				
	CHF Rupees	JPY Rupees	Euro Rupees	USD Rupees	Total Rupees
Financial assets					
Trade debts	-	-	-	81,262,122	81,262,122
Cash at bank	-	-	-	3,554,027	3,554,027
	-	-	-	84,816,149	84,816,149
Financial liabilities	-	-	-	-	-
Net balance sheet exposure	-	-	-	84,816,149	84,816,149
Foreign currency commitments	-	(15,975,369)	(27,615,503)	(22,876,325)	(66,467,197)
Net exposure	-	(15,975,369)	(27,615,503)	61,939,824	18,348,952

(b) Exchange rates applied as at the reporting date

The following spot exchange rates were applied as at the reporting date.

	2016		2015	
	Assets Rupees	Liabilities Rupees	Assets Rupees	Liabilities Rupees
CHF	-	106.85	-	-
JPY	-	1.02	-	0.82
Euro	-	116.31	-	113.79
USD	104.50	104.70	101.50	101.70

(c) Sensitivity analysis

A ten percent appreciation in Pak Rupee against the US \$ would have decreased profit for the year by Rs. 3.74 million (2015: Rs. 8.48 million). A ten percent depreciation in Pak Rupee would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

Notes to and forming part of financial statements for the year ended June 30, 2016

(d) *Currency risk management*

The Company manages its exposure to currency risk through continuous monitoring of expected/forecast committed and non-committed foreign currency payments and receipts. Reports on forecast foreign currency transactions, receipts and payments are prepared on monthly basis, exposure to currency risk is measured and appropriate steps are taken to ensure that such exposure is minimized while optimizing return. This includes matching of foreign currency liabilities/payments to assets/receipts and using source inputs in foreign currency.

38.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

(a) *Interest/mark-up bearing financial instruments*

The effective interest/mark-up rates for interest/mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest/mark-up bearing financial instruments as at the reporting date are as follows:

	2016 Rupees	2015 Rupees
Fixed rate instruments		
Financial assets	-	18,917,877
Financial liabilities	664,658,000	160,222,750
Variable rate instruments		
Financial assets	39,065,113	9,700,000
Financial liabilities	2,119,379,633	1,564,512,965

(b) *Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for fixed rate financial assets and liabilities at fair value through profit or loss.

(c) *Cash flow sensitivity analysis for variable rate instruments*

An increase of 100 basis points in interest rates as at the reporting date would have decreased profit for the year by Rs. 21.19 million (2015: Rs. 15.55 million). A decrease of 100 basis points would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

(d) *Interest rate risk management*

The Company manages interest rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points.

38.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is not exposed to price risk since the fair values of the Company's financial instruments are not based on market prices.

39 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders. The Company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances including current maturity. Total capital employed includes total equity as shown in the balance sheet plus debt. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital. Gearing ratio of the Company as at the reporting date is as follows:



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Notes to and forming part of financial statements for the year ended June 30, 2016

Total debt	<i>Unit</i>	2016	2015
Total equity	<i>Rupees</i>	1,630,325,679	1,344,235,715
	<i>Rupees</i>	2,759,050,673	2,678,840,677
		4,389,376,352	4,023,076,392
Gearing	<i>%age</i>	37.14%	33.41%

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finance.

40 FAIR VALUE MEASUREMENTS

40.1 Financial Instruments

40.1.1 Financial instruments measured at fair value

a) Recurring fair value measurements

There are no recurring fair value measurements as at the reporting date.

b) Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

40.1.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

40.2 Assets and liabilities other than financial instruments.

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

41 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on 27th September 2016 has proposed dividend on ordinary shares at Rs. 5 per ordinary share of Rs. 10 each. The proposed dividend is subject to approval by the shareholders in the forthcoming annual general meeting and has not been included as a liability in the financial statements.

42 RESTRICTION ON TITLE, AND ASSETS MORTGAGED/PLEDGED AS SECURITY

	2016	2015
	<i>Rupees</i>	<i>Rupees</i>
Mortgages and charges		
Charge over current assets	6,024,000,000	6,024,000,000
Charge over fixed assets	3,435,900,000	2,735,900,000

43 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances and perquisites, post employment benefits and the number of such directors and executives is as follows:

	2016		
	Chief Executive	Directors	Executives
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Managerial remuneration	4,800,000	9,600,000	23,141,617
Allowances and perquisites	-	-	17,356,212
Post employment benefits	-	-	2,892,702
	4,800,000	9,600,000	43,390,531
Number of persons	1	2	33
	2015		
	Chief Executive	Directors	Executives
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Managerial remuneration	4,800,000	9,600,000	21,404,358
Allowances and perquisites	-	-	16,053,268
Post employment benefits	-	-	2,675,545
	4,800,000	9,600,000	40,133,171
Number of persons	1	2	31



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

44 SEGMENT INFORMATION

44.1 Products and services from which reportable segments derive their revenues

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
Power	Electricity

Information regarding Company's reportable segments is presented below.

44.2 Information about reportable segments

	2016			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Revenue from external customers	4,928,928,385	1,917,816,107	-	6,846,744,492
Intersegment revenues	-	-	34,999,920	34,999,920
Depreciation	258,895,295	44,833,129	6,394,489	310,122,913
Segment results	212,898,842	111,274,025	(16,903,941)	307,268,926
Segment assets	4,151,888,656	1,615,117,072	67,214,850	5,834,220,578
Segment liabilities	250,895,217	148,795,100	46,116,385	445,806,702
Interest income	1,071,724	-	-	1,071,724
Additions to non-current assets	100,547,265	702,328,306	-	802,875,571
Disposals of property, plant and equipment	-	49,125,659	-	49,125,659

	2015			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Revenue from external customers	5,463,670,341	2,159,615,143	-	7,623,285,484
Intersegment revenues	-	-	60,531,234	60,531,234
Depreciation	118,278,382	197,342,305	7,104,986	322,725,673
Segment results	375,177,881	37,081,290	(23,469,646)	388,789,525
Segment assets	3,877,931,030	788,381,460	71,741,399	4,738,053,889
Segment liabilities	293,766,976	113,738,397	49,408,658	456,914,031
Interest income	1,769,828	-	-	1,769,828
Additions to non-current assets	172,684,339	5,236,142	-	177,920,481
Disposals of property, plant and equipment	23,121,571	453,993	-	23,575,564

The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment results represent operating profit earned by the segment. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

44.3 Reconciliations of reportable segment information

44.3.1 Segment revenues

	2016			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	4,928,928,385	1,917,816,107	34,999,920	6,881,744,412
Inter-segment revenues	-	-	(34,999,920)	(34,999,920)
Total for the Company	<u>4,928,928,385</u>	<u>1,917,816,107</u>	<u>-</u>	<u>6,846,744,492</u>



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

	2015			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	5,463,670,341	2,159,615,143	60,531,234	7,683,816,718
Inter-segment revenues	-	-	(60,531,234)	(60,531,234)
Total for the Company	<u>5,463,670,341</u>	<u>2,159,615,143</u>	<u>-</u>	<u>7,623,285,484</u>

44.3.2 Segment assets

	2016			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	4,151,888,656	1,615,117,072	67,214,850	5,834,220,578
Unallocated assets				
Long term deposits				14,154,095
Advance income tax/income tax refundable				272,000,389
Total for the Company	<u>4,151,888,656</u>	<u>1,615,117,072</u>	<u>67,214,850</u>	<u>6,120,375,062</u>

	2015			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	3,877,931,030	788,381,460	71,741,399	4,738,053,889
Unallocated assets				
Long term deposits				14,154,095
Advance income tax/income tax refundable				208,663,773
Total for the Company	<u>3,877,931,030</u>	<u>788,381,460</u>	<u>71,741,399</u>	<u>4,960,871,757</u>

44.3.3 Segment liabilities

	2016			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	250,895,217	148,795,100	46,116,385	445,806,702
Un-allocated liabilities				
Long term finances				1,630,325,679
Deferred taxation				89,560,990
Short term borrowings				1,153,711,954
Accrued interest/mark-up				27,158,358
Workers' Profit Participation Fund				7,010,437
Workers' Welfare Fund				4,994,542
Unclaimed dividend				2,755,727
Total for the Company				<u>3,361,324,389</u>

	2015			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	293,766,976	113,738,397	49,408,658	456,914,031
Un-allocated liabilities				
Long term finances				1,344,235,715
Deferred taxation				53,682,178
Short term borrowings				380,500,000
Accrued interest/mark-up				30,427,313
Workers' Profit Participation Fund				6,481,194
Workers' Welfare Fund				7,269,827
Unclaimed dividend				2,520,822
Total for the Company				<u>2,282,031,080</u>



BLESSED TEXTILES LIMITED

Notes to and forming part of financial statements for the year ended June 30, 2016

44.4 Geographical information

The Company's operations are not distributed geographically.

44.5 Information about significant customers

There is no single significant external customer to whom sales in excess of 10% of the Company's total sales were made during the year.

45 SHARES IN THE COMPANY HELD BY ASSOCIATED COMPANIES

Faisal Spinning Mills Limited, an associated company, holds 1,189,160 (2015: 1,189,160) ordinary shares of Rs. 10 each in the Company.

46 PLANT CAPACITY AND ACTUAL PRODUCTION

	<i>Unit</i>	2016	2015
Spinning			
Number of spindles installed	<i>No.</i>	59,136	59,136
Plant capacity on the basis of utilization converted into 20s count	<i>Kgs'000</i>	21,636	21,636
Actual production	<i>Kgs'000</i>	20,980	19,934
Weaving			
Number of looms installed	<i>No.</i>	139	139
Plant capacity on the basis of utilization converted into 50 picks	<i>Mtrs'000</i>	13,313	13,313
Actual production	<i>Mtrs'000</i>	11,634	11,456

It is difficult to precisely compare production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw materials used, spindle speed and twist, picks etc. It would also vary according to the pattern of production adopted in a particular year.

Power

Installed capacity	<i>Mwhs</i>	47,304	47,304
Power generated	<i>Mwhs</i>	16,872	16,872

Actual power generated is less than the installed capacity because unavailability/loadshedding of natural gas.

47 NUMBER OF EMPLOYEES

Number of persons employed by the Company as at the reporting date are as follows:

	2016	2015
	<i>No. of persons</i>	<i>No. of persons</i>
As at the reporting date	<u>1,191</u>	<u>1,152</u>
Average for the year	<u>1,197</u>	<u>1,121</u>

48 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

49 DATE OF AUTHORIZATION FOR ISSUE


These financial statements were authorized for issue on 27th September 2016 by the Board of Directors of the Company.

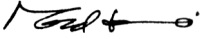
50 GENERAL

Figures have been rounded off to the nearest rupee. Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the year.

Karachi

Date: September 27th, 2016


Mohammad Amin
Chief Executive


Mohammad Salim
Director

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2016

NUMBER OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD
	FROM	TO	
310	1	100	11,920
156	101	500	61,623
30	501	1000	27,820
38	1001	5000	101,000
7	5001	10000	46,544
5	10001	15000	64,585
3	15001	20000	56,200
1	20001	25000	20,500
2	25001	30000	60,000
3	35001	40000	115,293
2	40001	45000	82,600
2	45001	50000	97,500
1	60001	65000	63,900
2	65001	70000	134,500
2	70001	75000	143,530
1	80001	85000	80,500
3	90001	95000	280,485
3	95001	100000	294,500
1	100001	105000	103,000
1	125001	130000	126,100
2	130001	135000	270,500
1	135001	140000	138,200
1	160001	165000	163,200
1	265001	270000	268,100
1	280001	285000	282,400
1	330001	335000	330,400
1	390001	395000	393,900
2	440001	445000	888,040
1	535001	540000	536,000
1	1185001	1190000	1,189,160
<u>585</u>			<u>6,432,000</u>

* There is no shareholding in the slab not mentioned

AS AT JUNE 30, 2016

Sr #	Shareholder Category	Percentage	No. of Shares
1	ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES		
	M/s. Faisal Spinning Mills Limited	18.49	1,189,160
	Mr. Farrukh Salim	1.41	91,000
	Mr. Yousuf Salim	1.96	126,100
	Mr. Saqib Salim	1.47	94,700
	Mr. Mohammad Qasim	4.17	268,100
	Mr. Faisal Shakeel	8.04	516,985
	Mrs. Saba Yousuf	1.80	116,094
	Mrs. Saba Saqib	2.29	147,494
	Mrs. Sadaf Farrukh	2.35	151,194
	Mrs. Sumbul Qasim	1.09	70,285
	Mr. Hamza Shakeel	0.06	4,000
2	CEO, DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN		
	Mr. Mohammad Shaheen	1.07	69,000
	Mr. Mohammad Salim	0.78	50,000
	Mr. Mohammad Sharif	0.04	2,500
	Mr. Mohammad Shakeel	0.47	30,000
	Mr. Khurram Salim	0.99	63,900
	Mr. Iqbal Mehboob	0.04	2,500
	Mr. Bilal Sharif	3.58	230,285
	Mr. Mohammad Amin	4.39	282,400
	Mr. Adil Shakeel	6.91	444,300
	Mrs. Yasmin Begum	0.65	42,000
	Mrs. Seema Begum	0.63	40,600
	Mrs. Nazli Begum	1.02	65,500
	Mrs. Amna Khurram	2.73	175,803
	Mrs. Samia Bilal	8.33	536,000
	Mrs. Fatima Amin	5.14	330,400
	Master Abdullah Bilal	1.53	98,100
	Master Umer Khurram	0.04	2,500
	Master Azaan Bilal	1.53	98,200
	Master Ali Bilal	1.53	98,200
3	BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS AND INSURANCE COMPANIES		
	State Life Insurance Corporation Of Pakistan	6.12	393,900
	National Bank Of Pakistan	0.00	31
4	JOINT STOCK COMPANIES		
	Shafi (Private) Ltd	0.01	400
	M/S. Mehran Sugar Mills Ltd.	0.00	200
5	INDIVIDUAL SHAREHOLDERS	9.25	594,942
6	OTHERS COMPANIES	0.08	5,227
	TOTAL	100.00	6,432,000

AS AT JUNE 30, 2016

Sr #	Shareholder Category	Percentage	No. of Shares
7	DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN	-	NIL
	Shares purchased by Mr. Mohammad Sharif	0.03	2,500
	Shares purchased by Mr. Bilal Sharif	0.07	45,000
	Shares sold by Mr. Mohammad Sharif	0.07	45,000
8	SHAREHOLDERS HOLDING 5% OR MORE		
	M/S. Faisal Spinning Mills Ltd	18.49	1,189,160
	State Life Insurance Corporation Of Pakistan	6.12	393,900
	Mr. Faisal Shakeel	8.04	516,985
	Mr. Adil Shakeel	6.91	444,300
	Mrs. Samia Bilal	8.33	536,000
	Mrs. Fatima Amin	5.14	330,400

CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2016

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Directors Chief Executive Officer their Spouses and minor childrens	21	2,662,188	41.39
2	Associated Companies, Undertaking and Related Parties	15	2,775,112	43.15
3	Banks / Financial Institutions	1	31	0.00
4	Insurance Companies	1	393,900	6.12
5	General Public / Individuals	541	594,942	9.25
6	Joint Stock Companies	2	600	0.01
7	Others Companies	4	5,227	0.08
		585	6,432,000	100.00



BLESSED TEXTILES LIMITED

Year wise Operating Data

Year Ended 30th June

	2016	2015	2014	2013	2012	2011
Spinning Unit						
Spindle installed	59,136	59,136	55,872	47,616	47,616	47,616
Spindle worked	59,136	59,136	55,872	47,616	47,616	47,616
Installed capacity after conversion in to 20/s count (Kgs)	21,015,867	21,015,867	21,015,867	20,413,000	20,413,000	20,413,000
Actual production (Kgs)	20,979,751	19,934,197	18,657,200	16,220,000	18,498,000	23,832,744

Weaving Unit

Air jet looms installed	136	136	136	136	131	131
Air jet looms worked	136	136	136	136	131	131
Installed capacity after conversion into 50 picks - (meters)	19,771,000	19,771,000	19,771,000	19,771,000	17,483,076	17,483,076
Actual production - (meters)	11,634,888	11,456,148	19,735,000	19,735,000	25,059,000	23,245,090

Year wise Financial Data

Year Ended 30th June

	2016	2015	2014	2013	2012	2011
	Rupees in Thousands					
Profit and loss account						
Turnover (Net)	6,846,744	7,623,285	7,379,595	5,765,769	5,447,990	6,124,843
Gross profit	521,135	650,230	774,305	819,115	732,112	1,160,396
Operating profit	296,346	379,266	486,438	582,917	476,657	865,809
Financial expenses	168,906	260,190	257,648	138,293	137,939	192,407
Profit before tax	127,440	119,076	228,790	444,624	338,718	673,402
Profit after tax	94,938	82,001	233,536	399,081	283,282	609,605
Cash dividend	32,160	32,160	16,080	32,160	48,240	32,160

Balance Sheet

Share Capital	64,320	64,320	64,320	64,320	64,320	64,320
Reserves	2,600,000	2,550,000	2,500,000	2,300,000	1,900,000	1,600,000
Shareholder equity	2,759,050	2,678,841	2,619,025	2,421,221	2,058,766	1,823,724
Long term liabilities	1,376,316	1,063,744	1,321,203	475,706	445,840	333,929
Short term loan	1,153,712	380,500	682,904	627,290	271,863	19,638
Current liabilities	1,765,146	1,038,510	1,404,997	1,144,986	688,449	625,012
Current portion of long term loans	254,009	280,492	274,746	160,272	107,836	294,837
Fixed assets	3,512,679	3,052,232	3,237,433	1,994,405	1,734,165	1,539,364
Current assets	2,593,542	1,877,665	2,217,505	2,147,819	1,519,067	1,293,004

Ratios

Performance

Sales growth percentage - Year to Year basis	-10.19%	3.30%	27.99%	5.83%	-11.05%	88.21%
Gross profit (%)	7.61%	8.53%	10.49%	14.21%	13.44%	18.95%
Profit before tax (%)	1.86%	1.56%	3.10%	7.71%	6.22%	10.99%
Profit after tax (%)	1.39%	1.08%	3.16%	6.92%	5.20%	9.95%

Leverage

Gearing ratio	1.01	0.64	0.87	0.52	0.40	0.36
Debt to equity (%)	49.88%	39.71%	50.45%	19.65%	21.66%	18.31%
Interest covering ratio	1.75	1.46	1.89	4.22	3.46	4.50

Liquidity ratio

Current ratio	1.47	1.81	1.58	1.88	2.21	2.07
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ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2016ء کو مکمل ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ مالی گوشوگاروں پر اپنی رپورٹ بخوشی پیش کرتے ہیں۔

اہم مالی نکات

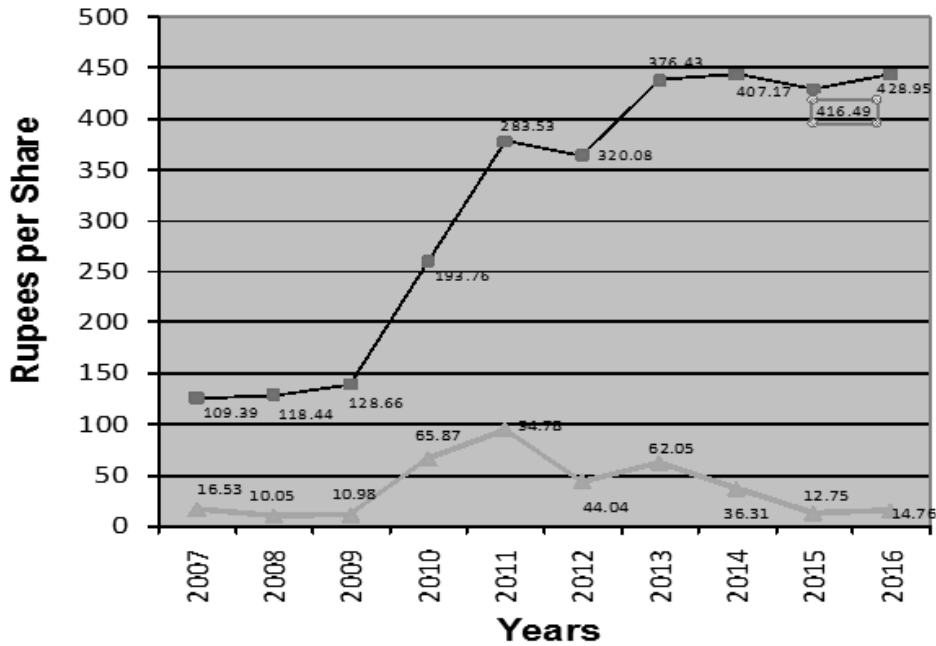
کمپنی کے مالی نتائج مختصراً حسب ذیل ہیں۔

2015 (روپے)	2016 (روپے)	
7,623,285,484	6,846,744,492	فروخت
650,230,055	521,135,477	مجموعی منافع
119,076,496	127,440,552	قبل از محصولات منافع
		محصولات (ٹیکسیشن)
1,523,173	-	رواں سال
-	(202,404)	گزشتہ سال
35,552,693	32,704,436	فرق
37,075,866	32,502,032	منافع بعد از محصولات
82,000,630	94,938,520	کپری ہینسیو اکم (جامع آمدنی)
		ملازمین کی ریٹائرمنٹ مراعات
(7,047,209)	20,605,852	قرضے، اصل منافع (نقصان)
941,894	(3,174,376)	محصولات
(6,105,315)	17,431,476	مجموعی جامع آمدنی
75,895,315	112,369,996	غیر مخصوص منافع آگے لایا گیا
54,705,362	64,520,677	منافع منقسمہ ادا کیا
130,600,677	176,890,673	مخصوص کرنے کیلئے دستیاب منافع
(16,080,000)	(32,160,000)	تعرفات
114,520,677	144,730,673	جنرل ریزرو کو منتقل کیا گیا
(50,000,000)	(50,000,000)	غیر مخصوص منافع آگے لایا گیا
64,520,677	94,730,673	ٹی شیئر بنیادی اور ڈائریکٹرز آڈٹ مدنی
12.75	14.76	موخر کردہ مخصوص کرنا (تقسیم)
=====	=====	

ڈائریکٹرز نے آئندہ سالانہ اجلاس عام میں شیئر ہولڈرز کے روبرو منظوری کے لئے پیش کرنے کے لئے 5/= روپے فی حصص یعنی 50 فیصد کی شرح سے منافع منقسمہ (2015ء میں 5/= روپے فی حصص یعنی 50 فیصد) کی تجویز تیار کی ہے۔

فی حصص آمدنی اور بریک اپ ویلیو:

30 جون 2016ء کو مکمل ہونے والے سال کیلئے کمپنی آمدنی فی حصص (ارنگ فی شیئر یعنی ای پی ایس) 14.76 روپے ہے (30 جون 2015ء پر 12.75 روپے) 30 جون 2016ء پر آپ کے شیئر کی بریک اپ ویلیو 428.95 روپے ہے (30 جون 2015ء پر 416.49 روپے تھی۔



عملدرآمدی نتائج (آپریٹنگ رزلٹس)

زیر جائزہ سال کے دوران نقد آمدنی گزشتہ سال کے 7,623.185 ملین روپے کے مقابلہ میں 6,846.744 ملین روپے تک کم ہو گئی تھی جس کی اصل وجہ یارن کی قیمت فروخت میں تخفیف تھی۔ کمپنی کو گزشتہ سال کے لئے 650.230 ملین روپے کے مقابلہ میں 521.135 ملین روپے کا مجموعی منافع حاصل ہوا۔ گزشتہ سال کے مقابلہ میں اس سال کے دوران مجموعی منافع میں کمی صنعت باقی (ٹیکسٹائل انڈسٹری) میں خصوصاً اسپننگ سیکٹر میں سست روی کے باعث ہوئی۔ سال رواں کے دوران کمپنی کو 94.938 ملین روپے کا منافع ہوا جس کے نتیجہ میں 14.76 روپے فی حصص آمدنی ہوئی جبکہ گزشتہ سال منافع 82.0 ملین روپے حاصل ہوا تھا اور فی حصص آمدنی 12.75 روپے تھی، محصولات کی ادائیگی کے بعد منافع میں گزشتہ سال کے مقابلے میں اضافہ مالیت کی کمی اور انکم ٹیکس کے لئے شرط کے باعث ہوا۔

ٹیکسٹائل انڈسٹری اور حالیہ اقتصادی صورتحال

2016ء کے دوران پاکستان کی معیشت میں 4.71 فیصد فروغ حاصل ہوا جو 2008-09ء سے اب تک سب سے زیادہ ترقی ریکارڈ کی گئی ہے۔ تاہم 4.71 فیصد ترقی اب تک نچلی درجہ کی ہے اور معاشی استحکام کے حصول کے لئے اس میں مزید بہتری کی ضرورت ہے۔ چائنہ پاکستان اکنامک کوریڈور (سی پی ای سی) کی سرگرمیوں کے باعث اس ترقی میں آئندہ سالوں کے دوران مزید اضافہ کی امید کی جاتی ہے۔

اکنامکس میں حالیہ خسارہ اور ٹیکسٹائل مصنوعات کی برآمد میں مسلسل کمی پاکستان کی اقتصادی صورتحال کے لئے اہم تشویش کا باعث ہیں۔ مذکورہ برآمدی سرگرمیوں میں کمی کی اصل وجہ مصنوعات کی

قیمتوں میں اضافہ ہے اور پاکستان کی ٹیکسٹائل مصنوعات عالمی مارکیٹ میں مقابلہ نہیں کر پا رہی ہیں۔ حالیہ گزشتہ سالوں میں یہ عالمی منڈی میں کامیابی سے مقبول ہو رہی تھیں لیکن اب یہ بنگلہ دیش، بھارت، ویت نام، تھائی لینڈ اور چین کے مقابلہ میں غیر مقبول ہو رہی ہے۔ عالمی مارکیٹ میں مقابلہ کے لئے حکومت کو ایک جامع ٹیکسٹائل پالیسی وضع کرنا اور اس پر وسیع بنیادوں پر عمل درآمد کرنا چاہیے۔

کمپنیل اسٹاک اور حالیہ تناسب

کمپنی کے اثاثے ڈیبٹ اور ایکویٹی کے ذریعہ فنائینسڈ ہوتے ہیں۔ 30 جون 2016ء کو گریٹرنگ تناسب 30 جون 2015ء پر 0.64 کے مقابلہ میں 1.01 ہے۔ منافع کی کوریج کا تناسب 1.75 ہے (2015ء کا 1.46) کمپنی کی لیکویڈٹی صورتحال مستحکم ہے جو 30 جون 2016ء میں 1.47 تناسب کے ساتھ ہے (2015ء میں 1.81 تھی)۔ شیئر ہولڈرز کا مجموعی فنڈز 2.759 ملین روپے ہے (2015ء میں 2.679 ملین روپے)۔

کیش فلو منجمنٹ

کمپنی کے پاس ایک موثر کیش فلو منجمنٹ سسٹم ہے جس کے تحت کیش فلو ز اور آؤٹ فلو ز مستقل بنیاد پر انجام دیئے جاتے ہیں۔ ورکنگ کپٹل ضروریات کی منصوبہ بندی انٹرنل کیش جنرییشنز اور شارٹ ٹرم قرضوں کے ذریعہ کی جاتی ہے۔ کمپنی اپنے طویل المدتی اور مختصر المدتی قرضوں کے سلسلہ میں اپنے معاہدوں میں بہتر مقام رکھتی ہے۔ کمپنی نے اپنے طویل المدتی قرضوں کی مد میں 413.249 ملین روپے کی ادائیگی کر دی ہے۔ حصص یافتگان کو منافع منقسمہ کی صورت میں 31.925 ملین روپے ادا کئے گئے ہیں۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

کوڈ آف کارپوریٹ گورننس کی تعمیل کے سلسلہ میں گوشوارہ منسلک ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک پر گوشوارہ

کمپنی کے ڈائریکٹرز، سٹاک ہولڈرز اور پاکستان اسٹاک ایکس چینج لمیٹڈ میں سکیورٹیز اینڈ ایکس چینج کمیشن آف پاکستان کی ہدایات کے مطابق شامل کوڈ آف کارپوریٹ گورننس کے تحت اپنی ذمہ داریوں سے واقف ہیں۔ کوڈ کی تعمیل کے حصوں کے طور پر ہم مندرجہ ذیل توثیق کرتے ہیں۔

- 0 کمپنی کی انتظامیہ کی تیار کردہ ان مالیاتی گوشوارے اپنے امور کے بیان اپنے آپریٹرز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیاں بالکل درست ہیں۔
- 0 کمپنی اکاؤنٹس کی کتب باقاعدہ رکھی جاتی ہیں۔
- 0 فنانشل گوشواروں اور اکاؤنٹس کے تخمینوں کی تیاری میں موزونیت اور دانشمندانہ انصاف پر مبنی اکاؤنٹنگ پالیسیاں عمل میں لائی جاتی ہیں۔
- 0 پاکستان میں نافذ العمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز فنانشل گوشواروں کی تیاری میں بروئے کار جاتے ہیں۔
- 0 انٹرنل کنٹرول کا نظام ٹھوس ہے اور اس موثر طور پر عملدرآمد اور نگرانی کی جاتی ہے۔
- 0 ادارہ کو آگے بڑھانے کے لئے کمپنی کی اہلیت میں کوئی شک نہیں۔
- 0 لسٹنگ ریگولیشنز میں تفصیلات کے مطابق کارپوریٹ گورننس پر بہترین عمل درآمد میں کوئی کسر نہیں رکھی گئی ہے۔
- 0 ہم نے کوڈ آف کنڈکٹ اور بزنس حکمت عملی تیار کر کے ڈائریکٹرز اور ملازمین میں تقسیم کی ہے۔
- 0 بورڈ آف ڈائریکٹرز نے وزن اور مشن اسٹینڈنٹ اور مجموعی کارپوریٹ حکمت عملی کا اسٹینڈنٹ اختیار کیا ہے۔
- 0 کمپنی کے چھ ڈائریکٹرز نے ڈائریکٹرز ٹریڈنگ پروگرام (ڈی ٹی پی) پہلے ہی مکمل کر لیا ہے۔ مزید برآں تین ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کے تحت اسٹیٹ کا درجہ حاصل کر لیا ہے۔ لہذا کمپنی کے تمام ڈائریکٹرز ڈائریکٹرز ٹریڈنگ پروگرام (ڈی ٹی پی) کے سلسلہ میں کوڈ آف کارپوریٹ گورننس کے مطابق ہیں۔
- 0 کوڈ آف کارپوریٹ گورننس کے مطابق ہم نے مندرجہ ذیل معلومات رپورٹ ہدایات میں شامل کی ہیں۔

- 0 حصص یافتگی کے طریقہ کار (نمونہ) کا گوشوارہ علیحدہ دیا گیا ہے۔
- 0 ایسوسی ایٹڈ انڈر ٹیکنگ اور متعلقہ افراد کے شیئرز کا گوشوارہ۔
- 0 رواں سال کے دوران منعقد کئے گئے بورڈ کے اجلاس اور ہر ڈائریکٹر کی حاضری کا گوشوارہ علیحدہ دیا گیا ہے۔
- 0 گزشتہ چھ سال کے لئے اہم کارکردگیوں اور فنانشل اسٹیٹمنٹس۔
- 0 محصولات اور لیویز کے بارے میں معلومات منسلک آڈٹ شدہ مالی گوشواروں میں مناسب طور پر منکشف کی گئی ہیں۔
- 0 کمپنی کے ڈائریکٹرز، ای او ای ایف او، کمپنی سکرٹری، ہیڈ آف انٹرنل آڈٹ اور ان کے شریک حیات اور نابالغ بچوں نے شیئر ہولڈنگ پیٹرن میں اصولوں کے خلاف کمپنی میں شیئرز کا کوئی کاروبار نہیں کیا ہے۔

آڈٹ کمیٹی

کمپنی کی آڈٹ کمیٹی کوڈ آف کارپوریٹ گورننس کے مطابق کام کر رہی ہے۔ آڈٹ کمیٹی نے سطح پر انٹرنل کنٹرول پر عملدرآمد اور مناسب کے جائزہ اور نگرانی کے لئے انٹرنل آڈٹ سسٹم قائم کیا ہے۔ آڈٹ کمیٹی کے اجلاس کوڈ آف کارپوریٹ گورننس کے مطابق منعقد کئے گئے۔ انٹرمیڈیٹ اور فائنل اسٹیٹمنٹس کا بورڈ آف ڈائریکٹرز کی سے قبل آڈٹ کمیٹی نے جائزہ لیا۔

میٹریل چیঞ্জ اور معاہدے

ڈائریکٹرز کی رپورٹ کی تاریخ اور بیلنس شیٹ سے متعلق کمیٹی کے مالی سال کے اختتام درمیان کمیٹی کی مالی صورتحال پر اثر انداز ہونے والی کوئی میٹریل چیঞ্জ اور معاہدے ظہور میں نہیں آئے۔

مالیاتی گوشوارے

اسٹاک ایکس چینج کے لسٹنگ ریگولیشنز کے مطابق چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے مالیاتی گوشوارے اپنے دستخطوں کے ہمراہ غور و خوض اور منظوری کے لئے بورڈ آف ڈائریکٹرز اور بورڈ کے روبرو پیش کئے۔ غور و خوض اور منظوری کے بعد مالیاتی گوشواروں کے اجراء اور تقسیم کا اختیار دیا گیا۔

کمپنی کے آڈیٹرز جن سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹینٹس نے کمیٹی کے مالیاتی گوشواروں کا آڈٹ کیا اور آڈیٹرز نے 30 جون 2016ء کو مکمل ہونے والے سال کے لئے مالیاتی گوشواروں پر واضح آڈٹ رپورٹ جاری کی اور کوڈ آف کارپوریٹ گورننس کے اسٹیٹمنٹ پر واضح جائزہ رپورٹ دی۔ مذکورہ رپورٹس مالیاتی گوشواروں کے ہمراہ منسلک ہیں۔

شیئر ہولڈنگ کا طریقہ کار (پیٹرن)

شیئر ہولڈنگ کے پیٹرن سے متعلق اضافی معلومات کے ہمراہ شیئر ہولڈنگ پیٹرن علیحدہ منسلک ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز جن سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹینٹس سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اہلیت کی بنیاد پر انہوں نے دوبارہ تقرری کے لئے اپنی خدمات پیش کی ہیں۔ آڈٹ کمیٹی نے مذکورہ بالا میسرز جن سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹینٹس کی 30 جون 2017ء کو مکمل ہونے والے سال کے لئے بطور ایکسٹرنل آڈیٹرز تقرری کے لئے تجویز پیش کی ہے۔ ایکسٹرنل آڈیٹرز میسرز جن سرفراز رحیم اقبال، چارٹرڈ اکاؤنٹینٹس کو انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان کے کوالٹی ریویو پروگرام کے تحت اطمینان بخش درجہ دیا گیا ہے اور فرم اور اس کے تمام پارٹنرز انٹرنیشنل فیڈریشن (آف اکاؤنٹینٹس کی ہدایت کے مطابق انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان کے وضع کردہ ضابطہ اخلاق (کوڈ آف آئینس) پر عمل پیرا ہیں۔ بورڈ آف ڈائریکٹرز نے بھی میسرز جن سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹینٹس کی 30 جون 2017ء کو مکمل ہونے والے سال کے لئے بطور ایکسٹرنل آڈیٹرز تقرری کی سفارش کی ہے۔

بورڈ اور آڈٹ کمیٹی کے اجلاس

2015-16ء کے دوران بورڈ اور آڈٹ کمیٹی کے منعقدہ ہونے والے اجلاس کی تعداد چار تھی ڈائریکٹرز اور ممبران حاضری حسب ذیل ہے۔

کمیٹیاں							
مشاہیرہ		بورڈ آف ڈائریکٹرز		آڈٹ		افراد قوت اور	
ڈائریکٹر کا نام	شرکت کے اہل	شریک	شرکت کے اہل	شریک	شرکت کے اہل	شریک	شرکت کے اہل
جناب محمد سلیم	4	4	---	---	---	---	---
جناب محمد شریف	4	4	---	---	---	---	---
جناب محمد شاہین	4	4	---	---	---	---	---
جناب محمد شکیل	4	4	---	---	2	2	---
جناب خرم سلیم	4	4	4	4	2	2	---
جناب بلال شریف	4	4	4	4	---	---	---
جناب محمد امین	4	4	---	---	---	---	---
جناب عادل شکیل	4	4	---	---	2	2	---
جناب اقبال محبوب	4	4	4	4	---	---	---

تحفظ، صحت اور ماحول

صحت، تحفظ اور ماحول ہماری اقدار کا حصہ ہیں، ہم اپنے عمل پر فخر کرتے ہیں اور یقین دلاتے ہیں کہ ہم محفوظ کارکردگی جاری رکھیں گے اور ماحولیاتی گراؤٹ پیدا نہیں ہوگی۔ ہمارے ملازمین کی صحت اور تحفظ ہمارے اثاثوں کا تحفظ اور ہماری کارکردگی کی سیکورٹی ہمیشہ کمیٹی کی اولین ترجیحات میں شامل رہیں گی۔ کمیٹی کے لئے داخلہ سے کاروباری نوٹس تک تحفظ اولین ترجیح ہے۔ ان حفاظتی اقدامات کے باعث اور اللہ تعالیٰ کے کرم سے کاروباری نوٹس میں کوئی حادثہ یا واقعہ پیش نہیں آیا۔

کمیٹی ہمیشہ ماحول کے تحفظ کی ضمانت دیتی ہے اور ماحول کے تحفظ کے لئے تمام ممکنہ عمل اختیار کرتی ہے۔ ہم اپنے پلانٹس سے دھول اور دھوئیں کے اخراج کو ماحول کے تحفظ کے لئے کم از کم کرنے کے لئے مختلف اقدامات کرتے ہیں اور ہماری پروڈکشن انٹرنیٹ پلانٹ ٹریڈنگ اور سپریشن سسٹم کے ساتھ نصب کی گئی ہیں تاکہ دھول اور دیگر اخراج پر قابو پایا جاسکے۔

اہم فیصلہ کن شعبے

انکم ٹیکس، ڈیپازٹس، ریٹائرمنٹ، فوائد، قرضوں اور اکاؤنٹنگ تخمینوں اور فیصلوں سے متعلق اہم شعبے مالیاتی گوشواروں کے نوٹس میں تفصیلاً شامل ہیں۔

اکاؤنٹنگ اسٹیڈرڈ

کمیٹی ایکاؤنٹنگ پالیسیاں کمپنیز آرڈیننس مجریہ 1984ء اور منظور شدہ انٹرنیشنل ایکاؤنٹنگ اسٹیڈرڈ اور آرڈیننس ہذا کے تحت انٹرنیشنل فنانشل رپورٹنگ اسٹیڈرڈ اور سیکورٹیز اینڈ ایکس چینج کمیشن

آف پاکستان کے تحت تمام ضروریات کے عین مطابق ہیں۔

افراد کی قوت اور مشاہیرہ کمیٹی

افراد کی قوت اور مشاہیرہ کمیٹی نے ٹھوس اور موثر ایسپلائز ڈیولپمنٹ پروگرام تشکیل دیا ہے۔ ہیومن ریسورس دواہم شعبوں پر مرکوز ہے۔ کمپنی میں پیداواری اہلیت / کارکردگی کو بہتر بنانا اور ہمارے ورک فورس کے معیار میں اضافہ رکنا کمپنی نے تجربہ کار اور تعلیم یافتہ افراد کو ملازمت دی ہے تاکہ وہ آئندہ چیلنجز کا مقابلہ کر سکیں۔ کمپنی نے اپنی ٹیم کو مضبوط بنانے اور ادارہ کے اسٹرکچر کو مزید مضبوط کرنے اور موثریت کو بڑھانے کے لئے ملازمین کی کارکردگی کو استعمال کرنے کی منصوبہ بندی بھی کی ہے۔

کارپوریٹ سوشل ذمہ داری

کمپنی نے ملک میں تعلیمی، صحت اور ماحولیاتی معیار کو عموماً اور مقامی کمیونٹیوں میں خصوصاً بلند کرنے میں سرگرم کردار ادا کیا ہے جس کے لئے حکومت پاکستان سے معروف این جی او کی خدمات حاصل کی گئی ہیں۔ سال رواں کے دوران سوشل معاہدوں پر 1.3 ملین روپے خرچ کئے ہیں۔

خداشات، چیلنجز اور توقعات

آج کل کپاس کی قیمت بڑھ رہی ہے اور =/6,250 روپے فی من تک ہے۔ کپاس کی قیمت میں مذکورہ اضافہ سے دھاگہ اور کیڑے کی قیمت میں اضافہ میں مدد ملے گی۔

بڑھتے ہوئے اقتصادی، سماجی اور سیاسی چیلنجز قابل غور ہیں۔ کمپنی اقتصادی توقعات سے خبردار ہے۔ ٹیکسٹائل کی برآمدات عالمی مارکیٹ میں غیر مقبول ہونے کے باعث عرصہ سے کم ہو رہی ہیں۔ حکومت کو ایسی پالیسیاں اختیار کرنی چاہئیں جو ٹیکسٹائل مصنوعات کی برآمد کو بڑھانے میں معاون ہوں۔

اگلے سال کی پہلی سہ ماہی کے نتائج کپاس کی قیمتوں اور دھاگہ (یارن) کی مانگ پر مبنی ہوں گی۔ انتظامیہ کو مذکورہ مدت میں متعادل نتائج متوقع ہے۔

اکنالوجی (اعتراف / رسید)

بورڈ آف ڈائریکٹرز کی جانب سے میں اپنے معزز جھس یا فینگان، کسٹمرز سپلائرز، میٹیکرز اور دیگر اسٹیک ہولڈرز سے ان کی حمایت، اعتماد اور بھروسہ پر ان کا شکر گزار ہوں۔ میں اپنے ملازمین کی مخلصانہ کارکردگی اور جانفشانی پر خراج تحسین پیش کرتا ہوں جن کے باعث کمپنی اپنے مقاصد کے حصول کے قابل ہوئی۔

بجکم بورڈ

محمد امین

چیف ایگزیکٹو

کراچی 27 ستمبر 2016ء



BLESSED TEXTILES LIMITED

PROXY FORM

I/We _____
of _____
being a member of **BLESSED TEXTILES LIMITED** and holder of _____
ordinary share as per Share Register Folio No. _____ and/or CDC Participant
ID No. _____ and Sub Account No. _____ hereby appoint
Mr./Mrs./Miss _____ of _____ or failing
him/her _____ of _____ as my / our
proxy to act on my/our behalf at the 29th Annual General Meeting of the Company to be held on
Friday October 28th, 2016 at 4:30 p.m. at Umer House, 23/1, Sector 23, S.M. Farooq
Road, Korangi Industrial Area, Karachi. and/or at any adjournment thereof.

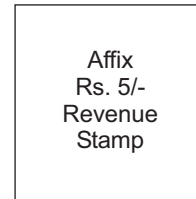
WITNESS

Signature _____

Name _____

Address _____

CNIC/Passport # _____



(Signature should agree with the
specimen signature registered
with the Company)

Signed this _____ day of _____ 2016

Notes:

If a member is unable to attend the meeting, they may complete and sign this form and sent it to the Company Secretary, **BLESSED TEXTILES LIMITED**, Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. so as to reach not less than 48 hours before the time scheduled for holding the meeting.

- (i) The Proxy form shall be witnessed by a person whose name, address and CNIC/Passport number should be stated on the form.
- (ii) Attested copy of CNIC or the Passport of the beneficial owner alongwith the Proxy form should also be submitted.
- (iii) The Proxy nominee shall produce his / her original CNIC or original Passport at the time of the meeting.
- (iv) In case of a Corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature should be submitted (unless it has been provided earlier) along with Proxy form to the Company.

REGISTERED OFFICE

Umer House, 23/1, Sector 23, S.M. Farooq Road,
Korangi Industrial Area, Karachi-74900, Pakistan

Phones : 021 - 35115177 - 80

Fax No. : 021 - 35063002 - 3

E-mail : khioff@umergroup.com

Website : www.umergroup.com