



*of Companies*

**30<sup>th</sup> Annual Report 2017**

**UMER GROUP OF COMPANIES**

**BLESSED TEXTILES LIMITED.**



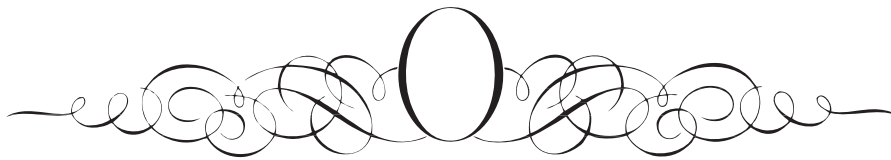
# **BLESSED TEXTILES LIMITED**

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## *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

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# 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. Hamza 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	Asim Mirza, ACMA	
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 Sharif 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 Bank Alfalah 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: <a href="mailto:khihoff@umergroup.com">khihoff@umergroup.com</a> Website: <a href="http://www.umergroup.com">http://www.umergroup.com</a>	
Liason / Correspondence office	9th Floor, City Towers, 6-K, Main Boulevard Gulberg - II, Lahore, Pakistan Tel : 042 111 130 130 ; Fax: 042 -35770015 Email: <a href="mailto:lhroff@umergroup.com">lhroff@umergroup.com</a> Website: <a href="http://www.umergroup.com">http://www.umergroup.com</a>	
Mills At:	Spinning and weaving units are situated at Feroz Watwan, Shekhupura, Punjab. Tel: 0496 731724	



# BLESSED TEXTILES LIMITED

## NOTICE OF THE ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 30th Annual General Meeting of the members of **Blessed Textiles Limited** will be held on Friday 27th October 2017 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 Annual General Meeting held on 28th October 2016.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2017 together with the Auditors' and Directors' Report thereon.
3. To approve the cash dividend @ 153.0% (i.e. PKR 15.30 per share) for the year ended 30th June, 2017, as recommended by the Board of Directors.
4. To appoint the auditors for the next term i.e. year 2017-2018 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.

(By the order of the Board)

**Karachi:**  
**Date: September 27<sup>th</sup>, 2017**

**Asim Mirza, ACMA**  
**Company Secretary**

1. The Shares Transfer Books of the Company will remain closed from 21st October 2016 to 27th October, 2017 (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, 2017.
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.
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.



# BLESSED TEXTILES LIMITED

## NOTICE OF THE ANNUAL GENERAL MEETING

6. Section 242 of Companies Act 2017 which states that, "Any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders". In compliance of section 242 SECP issued a circular CLD/CCD/PR(11)/2017 No.18/2017 dated 1-Aug-17 requiring listed companies to obtain electronic dividend mandate from the Shareholders.

In this regard we request all registered shareholders to provide the bank details in order to credit their cash dividends directly to their bank account, if declared. Also provide us verification of bank detail with your concern bank and submit to in case of book-entry securities in CDS, to CDS participants and in case of physical securities to the Company's Share Registrar.

7. In compliance of section 244 of Companies Act 2017 and SECP circular No. CLD/CCD/PR(11)/2017 Direction No.16 of 2017 dated 7-July -2017 regarding dividends, shares or modaraba certificates remains unclaimed or unpaid for a period of three years from the date it is due or payable shall be vested with Federal Government after complying the requirements of Companies Act 2017.

In this regard, the said shareholders are requested to approach the Company Registered Office or Share Registrar Office with regard to any unclaimed dividend, shares or modarba certificates.

8. Members are requested to immediately inform of any change in their addresses to our share Registrar, Hameed Majeed Associates (Private) Limited.
9. 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](http://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.
10. Pursuant to the provisions of the Finance Act 2017 effective July 1, 2017, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance, 2001 have been revised as follows:
- For filer of income tax return 15%
  - For non-filers of income tax return 20%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% 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 15%.

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

## CHAIRMAN'S REVIEW REPORT

*Review Report by Chairman on Board's overall performance u/s 192 of Companies Act, 2017.*

As per requirement of Code of Corporate Governance, an annual evaluation of Board of Directors of **Blessed Textiles Limited** is carried out.

The purpose of said appraisal is to evaluate whether the Board as a whole discharged its responsibility diligently in the best interest of shareholders and other stakeholders.


The Board has recently completed its annual self-evaluation for the year ended 30 June, 2017 and I am pleased to report that: The Board has exercised its powers and has performed its duties as envisaged in the repealed Companies Ordinance 1984 (now Companies Act 2017) and the Code of Corporate Governance ("the Code") contained in the Rule Book of Pakistan Stock Exchange (the Rule Book) where the Company is Listed.

The Board during the year ended 30 June, 2017 played effective role in managing the affairs of the company in the following manner;

- The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as laid down in Code of Corporate Governance. Moreover, Board ensured that members of the Board and its respective committees has adequate skill experience and knowledge to manage the affairs of the Company;
- The Board has formed an Audit and Human Resource and Remuneration Committee and has approved their respective Terms of References (ToR) and has assigned adequate resources so that the committees are able to perform their responsibilities diligently in line with the expectation of Board.
- The Board has developed and put in place the rigorous mechanisms for an annual evaluation of Boards own performance and that of its committees and individual directors. The findings of the annual evaluation are assessed and re-evaluated by the Board periodically so that areas where improvements are required are duly considered and action plans are framed.
- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner and directors on the Board have already taken certification under Directors Training Program and the remaining directors meet the qualification and experience criteria of the Code;
- The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;
- The Board remain updated with respect to achievement of Company's objectives, goals, strategies and financial performance through review of reports from management, internal auditors and other consultants as a result the Board the was able to provide effective leadership to company;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured the hiring, evaluation and compensation of Chief Executive and other Key Executives including Chief Financial Officer, Company Secretary, and Head of Internal Audit;
- The Board has ensured that sound system of internal controls are in place and appropriateness and effectiveness of same is considered by internal auditors on regular basis;

Based on aforementioned it can reasonably be argued that Board of Blessed Textiles Limited has played instrumental role in ensuring that corporate objectives are achieved in line with the expectation of shareholders and other important stakeholders.

Karachi:  
Date: September 27<sup>th</sup>, 2017

  
Mohammad Salim  
Chairman



# BLESSED TEXTILES LIMITED

## Directors' Report

### Dear Members

The Directors of your Company are pleased to present herewith the audit report on financial statement of the Company for the year ended 30th June 2017.

### Financial Performance

	<b>2017</b> <b>Rupees</b>	<b>2016</b> <b>Rupees</b>
Sales	8,064,238,429	6,846,744,492
Cost of goods sold	7,268,794,921	6,325,609,015
Gross profit	<b>795,443,508</b>	<b>521,135,477</b>
Other operating income	35,742,158	29,817,822
	<b>831,185,666</b>	<b>550,953,299</b>
Distribution cost	150,627,722	127,014,180
Administrative expenses	112,640,636	116,670,193
Other operating expenses	24,366,361	10,922,168
Finance cost	166,058,495	168,906,206
	<b>453,693,214</b>	<b>423,512,747</b>
Profit before tax	<b>377,492,452</b>	<b>127,440,552</b>
Provision for taxation		
Current year	-	-
Prior year	7,929,134	(202,404)
Deferred	123,766,818	32,704,436
	131,695,952	32,502,032
Profit after tax	<b>245,796,500</b>	<b>94,938,520</b>
Earnings per share - basic and diluted	<b>38.21</b>	<b>14.76</b>

The revenue rose from Pkr 6,846.744 million to Pkr 8,064.238 million due to better pricing as compared to previous year. The gross profit to sales in current year is 10.0% as compared to previous year where it stood at i.e 8%. The reason being enhanced and efficient production due to massive BMR in both current and previous years.

The company earned net profit of Pkr 245.796 million for the year ended 2017 as compared to year 2016 whereas profit stood at 94.938 million.

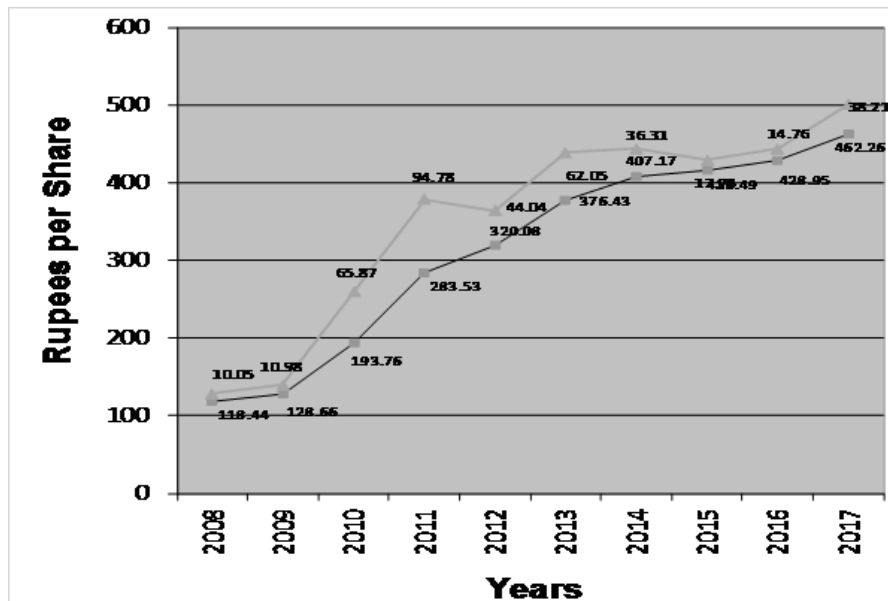
### Dividend Appropriation

As the company's net profit after tax to sales rose to 3.05% for the year 2017 (2016:1.39%), the directors recommended the cash dividend 15.30 per share i.e 153.00% (2106 : Pkr 5 per share , 50%) subject to the approval in shareholders meeting which is scheduled on 27th October ' 2017.

### Earnings per Share & Break-up Value

The earning per share for the year ended 30th June ' 2017 is Pkr 38.21 as compared to the year 30th June '2016 where it stood at 14.76. Similarly, the breakup value per share for the year ended 30th June ' 2017 is Pkr 462.26 as compared to the year 30th June '2016 where it was stood at Pkr 428.95.





### Cashflow Management

By recognizing the fact that cash flow is a life blood for any organization the company keeps a vigilant eye on both inflows & outflows on regular basis.

The debtors & future commitments are closely monitored and ample fund are placed in a way that generates the maximum benefit to the shareholders of the company.

The company has invested Pkr 804.893 million in 2017 (2016:795.722 million) towards capital expenditure for achieving the maximum efficiency and maintain the leading edge in the industry

The repayments amounting to Pkr 254.009 million on account of long term loan has been made during the year 2017 whereas Pkr 31.657 has been paid towards dividend to the shareholders.

### 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 2017 and clean review report on Statement of Code of Corporate Governance. These reports are attached with the financial statements.

### Cotton Analysis

There is a growing concern that if current falling trend in prices continues, the grower would suffer badly and this would have an adverse impact on the next cotton crop.

The cotton prices which were being quoted at the start of the season at Rs. 6,700 for Punjab quality and Rs. 6,400 for Sindh variety are now being quoted at Rs. 6,250 to Rs. 6,350 for Punjab and Rs. 6100 to Rs. 6200 for Sindh, respectively.

Higher arrival of phutti (seed cotton) and improved availability of quality lint further pushed cotton prices lower in coming months. Consequently, during the last four sessions, lint prices recorded a fall of Rs.500 per maund. The leading markets in the world also remained under pressure on reports that US would be producing around 1.5 million more bales this season and has a closing stock of 1.4m bales from last crop. However, Indian cotton prices were steady on reports of crop damage by recent rains.

The Karachi Cotton Association (KCA) revised its spot rates downwards by Rs. 50 to Rs.6,200 per maund

### Outlook of Textile Industry in Pakistan

The textile sector in Pakistan has an overwhelming impact on the economy, contributing 57% to the country's exports. In today's highly competitive global environment, the textile sector needs to upgrade its supply chain, improve productivity, and maximize value-addition to be able to survive.



# BLESSED TEXTILES LIMITED

The irritants to the industry are disruptions in the supply of electricity and increasing cost of gas depict levy of GIDC & other tariffs on gas. The Textile constitutes the largest sector in Pakistan's exports and the country is faced with a serious current account deficit situation at a time when both our overall exports and textile exports have been declining for more than 3 years now. Going forward, analysts expect textile exports to largely remain under pressure due to demand side bottlenecks with weak Chinese demand, economic slowdown in the EU following Brexit and low commodity prices.

However, Pakistan has inherent advantage of being 4th largest producer of cotton in the world with a huge potential to further increase crop yield. For success of any export led industry, local availability of basic raw material is considered as an added advantage being a key factor in reducing cost of doing business.

#### Corporate Social Responsibility Policy

Company shall undertake social, philanthropic or community development programs which are in alliance with its business strategies or that which will benefit the broader interests of the community.

#### Health, Safety and Environment Policy

Company is committed to the Health and Safety of its employees and to the protection and continuous improvement of the Environment. It staunchly believes in the application of this commitment to its customers, contractors, suppliers and the community in which it operates.

#### Risks & Future Challenges

While observing the rise in immense global competition in textiles, including developed economies like USA, who believes that this sector holds paramount importance in shoring up employment and exports in an economy at low cost (or low capital deployment),

For example, in the United States (US) the incentive-based textile policy framework originally initiated by the Obama government to revive the US textile industry by providing it cheap energy and power and by bringing friendly labour reforms, is now being taken to the next level by the Trump administration where it plans to provide US textile manufacturers with a level of security on crop and industrial protection that hedges them against cheap imports while at the same time helps them in making their products more competitive globally.

#### Compliance with Code of Corporate Governance

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

#### 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.
- Five directors of the Company had already completed Directors' Training Program (DTP) whereas three directors met the criteria of exemption under Code of Corporate Governance. The DTP is scheduled in October 2017 of the recently appointment director of Mr. Hamza Shakeel in place of Mr. Mohammad Shakeel who retired on 31-January-2017.
- 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:

- o Statement of pattern of shareholding has been given separately.
- o Statement of shares held by associated undertakings and related persons.
- o 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 primary purpose of an audit committee is to provide oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations. The committee reviews the results of the audit with management and external auditors, including matters required to be communicated to the committee as required by the code of corporate governance.

The audit committee has established robust internal audit system to monitor and review the adequacy and implementation of internal control at each level. The meetings of audit committee were held at regular intervals 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.

## Board and Audit Committee Meetings

- The number of board and audit committee meetings held during the year 2016-17 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	2	2	-	-	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. Hamza Shakeel	2	2	-	-	-	-
Mr. Iqbal Mehboob	4	4	4	4	-	-

## 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 2018. 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 2018.



# BLESSED TEXTILES LIMITED

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## 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.

## 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.

## Acknowledgement

I am highly indebted to Board of Directors, valued shareholders, customers, bankers, suppliers and other stakeholders 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

**Mohammad Amin**  
Chief Executive

**Mohammad Salim**  
Director

Karachi

Date: September 27<sup>th</sup>, 2017



**RAHMAN SARFARAZ RAHIM**  
**IQBAL RAFIQ**  
Chartered Accountants

72-A, Faisal Town, Lahore

T: +92 42 35160431 - 35160432  
F: +92 42 35160433

## **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, 2017 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, 2017**.

**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

**Date: September 27<sup>th</sup>, 2017**  
**Place: Lahore**

**Engagement Partner:**  
**IRFAN RAHMAN MALIK**

## STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2017

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. Hamza 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 NBF1 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.




# BLESSED TEXTILES LIMITED

## STATEMENT OF COMPLIANCE WITH THE BEST PRACTICE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2017

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**

  
**Mohammad Amin**  
Chief Executive

  
**Mohammad Salim**  
Director

**Karachi**

**Date: September 27<sup>th</sup>, 2017**



**RAHMAN SARFARAZ RAHIM**  
**IQBAL RAFIQ**  
Chartered Accountants

72-A, Faisal Town, Lahore

T: +92 42 35160431 - 35160432  
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, 2017 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 Repealed 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 Repealed 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 Repealed 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 Repealed 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, 2017 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

**Engagement Partner:**  
IRFAN RAHMAN MALIK

**Date: September 27<sup>th</sup>, 2017**  
**Place: Lahore**





# BLESSED TEXTILES LIMITED

## Balance Sheet as at June 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
6,500,000 (2016: 6,500,000) ordinary shares of Rs. 10 each		<b>65,000,000</b>	65,000,000
Issued, subscribed and paid-up capital	6	<b>64,320,000</b>	64,320,000
General reserve	7	<b>2,800,000,000</b>	2,600,000,000
Accumulated profit		<b>108,958,561</b>	94,730,673
<b>TOTAL EQUITY</b>		<b>2,973,278,561</b>	2,759,050,673
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - <i>secured</i>	8	<b>1,817,590,905</b>	1,376,316,051
Deferred liabilities	9	<b>374,847,389</b>	219,862,302
		<b>2,192,438,294</b>	1,596,178,353
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	<b>420,551,837</b>	330,266,096
Accrued interest/markup		<b>30,863,256</b>	27,158,358
Short term borrowings	12	<b>1,242,800,994</b>	1,153,711,954
Current portion of non-current liabilities	11	<b>221,741,940</b>	254,009,628
		<b>1,915,958,027</b>	1,765,146,036
<b>TOTAL LIABILITIES</b>		<b>4,108,396,321</b>	3,361,324,389
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,081,674,882</b>	6,120,375,062

The annexed notes 1 to 48 form an integral part of these financial statements.

Karachi

Date: September 27<sup>th</sup>, 2017

Mohammad Amin  
Chief Executive




# BLESSED TEXTILES LIMITED

## Balance Sheet as at June 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	3,897,890,705	3,512,679,217
Long term deposits - <i>unsecured, considered good</i>	15	14,154,095	14,154,095
		<b>3,912,044,800</b>	<b>3,526,833,312</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	16	72,384,810	64,913,402
Stock in trade	17	1,821,519,639	1,592,564,953
Trade debts	18	523,159,134	302,464,788
Advances, prepayments and other receivables	19	91,496,284	104,501,670
Sales tax refundable		264,688,706	191,851,524
Current taxation	20	360,939,015	272,000,389
Bank balances	21	35,442,494	65,245,024
		<b>3,169,630,082</b>	<b>2,593,541,750</b>
<b>TOTAL ASSETS</b>		<b>7,081,674,882</b>	<b>6,120,375,062</b>

*The annexed notes 1 to 48 form an integral part of these financial statements.*

  
Mohammad Salim  
Director



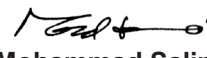
# BLESSED TEXTILES LIMITED

## Profit and loss account for the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>Sales - net</b>	22	<b>8,064,238,429</b>	6,846,744,492
Cost of sales	23	<b>7,268,794,921</b>	6,325,609,015
<b>Gross profit</b>		<b>795,443,508</b>	521,135,477
Selling and distribution expenses	24	<b>150,627,722</b>	127,014,180
Administrative and general expenses	25	<b>112,640,636</b>	116,670,193
		<b>263,268,358</b>	243,684,373
Other income	26	<b>532,175,150</b>	277,451,104
		<b>35,742,158</b>	29,817,822
<b>Operating profit</b>		<b>567,917,308</b>	307,268,926
Finance cost	27	<b>166,058,495</b>	168,906,206
Other charges	28	<b>24,366,361</b>	10,922,168
		<b>190,424,856</b>	179,828,374
<b>Profit before taxation</b>		<b>377,492,452</b>	127,440,552
Provision for taxation			
Current taxation	29	<b>7,929,134</b>	(202,404)
Deferred taxation	30	<b>123,766,818</b>	32,704,436
		<b>131,695,952</b>	32,502,032
<b>Profit after taxation</b>		<b>245,796,500</b>	94,938,520
<b>Earnings per share - basic and diluted</b>	31	<b>38.21</b>	14.76

The annexed notes 1 to 48 form an integral part of these financial statements.

  
Mohammad Amin  
Chief Executive

  
Mohammad Salim  
Director


Karachi  
Date: September 27<sup>th</sup>, 2017

## Cash flow statement for the year ended June 30, 2017

	Note	June 30, 2017 Rupees	June 30, 2016 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from/(used in) operations	32	490,948,531	(51,475,220)
Payments for:			
Employees retirement benefits		(31,958,361)	(26,680,581)
Interest/markup		(145,737,880)	(159,878,373)
Income tax		(96,867,760)	(63,134,212)
<b>Net cash generated from/(used in) operating activities</b>		<b>216,384,530</b>	<b>(301,168,386)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(804,893,823)	(795,722,196)
Proceeds from disposal of property, plant and equipment		92,267,695	77,571,757
<b>Net cash used in investing activities</b>		<b>(712,626,128)</b>	<b>(718,150,439)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long term finances obtained		663,016,786	699,339,000
Repayment of long term finances		(254,009,620)	(413,249,036)
Net increase in short term borrowings		89,089,040	773,211,954
Dividend paid		(31,657,138)	(31,925,095)
<b>Net cash generated from financing activities</b>		<b>466,439,068</b>	<b>1,027,376,823</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(29,802,530)</b>	<b>8,057,998</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>65,245,024</b>	<b>57,187,026</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	33	<b>35,442,494</b>	<b>65,245,024</b>

*The annexed notes 1 to 48 form an integral part of these financial statements.*

  
**Mohammad Amin**  
 Chief Executive

  
**Mohammad Salim**  
 Director

Karachi  
 Date: September 27<sup>th</sup>, 2017




# BLESSED TEXTILES LIMITED

## Statement of profit or loss and other comprehensive income for the year ended June 30, 2017

	Note	2017 Rupees	2016 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	709,843	20,605,852
Taxation relating to remeasurements of defined benefit obligation	9.3.1	(118,455)	(3,174,376)
<b>Other comprehensive income</b>		<b>591,388</b>	<b>17,431,476</b>
<b>Profit after taxation</b>		<b>245,796,500</b>	<b>94,938,520</b>
<b>Total comprehensive income</b>		<b>246,387,888</b>	<b>112,369,996</b>

*The annexed notes 1 to 48 form an integral part of these financial statements.*

  
Mohammad Amin  
Chief Executive

  
Mohammad Salim  
Director


Karachi  
Date: September 27<sup>th</sup>, 2017

## Statement of changes in equity for the year ended June 30, 2017

	Issued subscribed and paid-up capital	General reserve	Accumulated profit	Total equity
	Rupees	Rupees	Rupees	Rupees
<b>Balance as at July 01, 2015</b>	64,320,000	2,550,000,000	64,520,677	2,678,840,677
<b>Comprehensive income</b>				
Profit after taxation	-	-	94,938,520	94,938,520
Other comprehensive income	-	-	17,431,476	17,431,476
<b>Total comprehensive income</b>	-	-	112,369,996	112,369,996
<b>Transaction with owners</b>				
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)	-
<b>Balance as at June 30, 2016</b>	<u>64,320,000</u>	<u>2,600,000,000</u>	<u>94,730,673</u>	<u>2,759,050,673</u>
<b>Balance as at July 01, 2016</b>	<b>64,320,000</b>	<b>2,600,000,000</b>	<b>94,730,673</b>	<b>2,759,050,673</b>
<b>Comprehensive income</b>				
Profit after taxation	-	-	245,796,500	245,796,500
Other comprehensive income	-	-	591,388	591,388
<b>Total comprehensive income</b>	-	-	246,387,888	246,387,888
<b>Transaction with owners</b>				
Final dividend @ 50% i.e. Rs. 5 per ordinary share	-	-	(32,160,000)	(32,160,000)
Profit transferred to general reserve	-	200,000,000	(200,000,000)	-
<b>Balance as at June 30, 2017</b>	<u>64,320,000</u>	<u>2,800,000,000</u>	<u>108,958,561</u>	<u>2,973,278,561</u>

The annexed notes 1 to 48 form an integral part of these financial statements.

  
 Mohammad Amin  
 Chief Executive

  
 Mohammad Salim  
 Director

Karachi  
 Date: September 27<sup>th</sup>, 2017



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

### 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 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

During the year, the Companies Act 2017 ('the Act') has been promulgated, however, Securities and Exchange Commission of Pakistan vide its circular no. 17 of 2017 dated July 20, 2017 communicated that the Commission has decided that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ('IFRSs') issued by the International Accounting Standards Board ('IASB') and Islamic Financial Accounting Standards ('IFASs') issued by the Institute of Chartered Accountants of Pakistan ('ICAP') as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall 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.

## Notes to and forming part of financial statements for the year ended June 30, 2017

### 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 14 – Regulatory Deferral Accounts (2014)

The standard permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.

#### Equity Method in Separate Financial Statements (Amendments to IAS 27 - Separate Financial Statements)

IAS 27 - Separate Financial Statements has been amended to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

#### Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11 – Joint Arrangements)

IFRS 11 - Joint Arrangements has been amended to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) to:

- Apply all of the business combinations accounting principles in IFRS 3 - Business Combinations and other IFRSs, except for those principles that conflict with the guidance in IFRS 11.
- Disclose the information required by IFRS 3 - Business Combinations and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).

#### Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets)

IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets have been amended to:

- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment.
- Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.
- Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

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)

The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities.

Agriculture: Bearer Plants (Amendments to IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture)

IAS 16 - Property, Plant and Equipment and IAS 41 - Agriculture have been amended to:



## Notes to and forming part of financial statements for the year ended June 30, 2017

- Include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16.
- Introduce a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.
- Clarify that produce growing on bearer plants remains within the scope of IAS 41.

### Disclosure initiative (Amendments to IAS 1 - Presentation of Financial Statements)

IAS 1 Presentation of Financial Statements has been amended to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- Clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- Clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- Additional examples of possible ways of ordering the notes to clarify that understand ability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

### Annual Improvements 2012-2014 cycle

These improvements make amendments to the following standards:

- IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.
- IFRS 7 - Financial Instruments: Disclosures - Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.
- IAS 19 - Employee Benefits - Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.
- IAS 34 - Interim Financial Reporting - Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

## 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.

	<b>Effective date (annual periods beginning on or after)</b>
Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 - Income Taxes)	January 01, 2017
Disclosure initiative (Amendments to IAS 7 - Statement of Cash Flows)	January 01, 2017
IFRS 9 – Financial Instruments (2014)	January 01, 2018
IFRS 15 – Revenue from Contracts with Customers (2014)	January 01, 2018
IFRS 16 – Leases (2016)	January 01, 2019
IFRS 17 – Insurance contracts (2017)	January 01, 2021



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

	Effective date (annual periods beginning on or after)
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
Clarifications to IFRS 15 - Revenue from Contracts with Customers	January 01, 2018
IFRIC 22 - Foreign Currency Transactions and Advances Consideration	January 01, 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 - Share-based Payment)	January 01, 2018
Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4 - Insurance Contracts)	January 01, 2018
Transfers of Investment Property (Amendments to IAS 40 - Investment Property)	January 01, 2018
Annual Improvements to IFRS 2014–2016 Cycle	January 01, 2018
Companies Act, 2017	July 01, 2017

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan 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.

### IFRS 15 – Revenue from Contracts with Customers (2014)

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

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

Adoption of this IFRS 15 may result in material adjustment to carrying amounts of contract revenue, expenses, assets and liabilities. However, the financial impact of the same cannot be estimated with reasonable certainty at this stage.



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

### IFRS 16 – Leases (2016)

IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the leases term is twelve months or less or the underlying asset has low value.

Adoption of this IFRS 16 will result in recognition of assets and liabilities for all operating leases for which the lease terms is more than twelve months. 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:

<b>Raw materials</b>	<b>Weighted average cost</b>
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.



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

### 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.

### 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.

**Notes to and forming part of financial statements  
for the year ended June 30, 2017****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.

**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.

## Notes to and forming part of financial statements for the year ended June 30, 2017

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.

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.



## Notes to and forming part of financial statements for the year ended June 30, 2017

### 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 its 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.

### 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.



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>6 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>			
6,432,000 (2016: 6,432,000) ordinary shares of Rs. 10 each issued for cash		<u>64,320,000</u>	<u>64,320,000</u>

### 7 GENERAL RESERVE

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

### 8 LONG TERM FINANCES - SECURED

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

	Note	2017 Rupees	2016 Rupees
Term Finances ('TF')			
TF - I	8.1	-	53,038,244
TF - II	8.2	<b>600,979,132</b>	776,875,468
TF - III	8.3	<b>9,623,618</b>	12,440,282
TF - IV	8.4	<b>13,864,647</b>	16,945,679
TF - V	8.5	<b>19,539,790</b>	23,881,966
TF - VI	8.6	<b>11,681,872</b>	14,797,040
TF - VII	8.7	<b>7,875,000</b>	9,975,000
TF - VIII	8.8	<b>19,193,000</b>	23,033,000
TF - IX	8.9	<b>12,821,600</b>	15,386,000
TF - X	8.10	<b>16,079,400</b>	19,295,000
TF - XI	8.11	<b>6,382,200</b>	-
TF - XII	8.12	<b>3,919,000</b>	-
TF - XIII	8.13	<b>5,284,630</b>	-
TF - XIV	8.14	<b>9,072,000</b>	-
		<b>736,315,889</b>	965,667,679
Long Term Finances for Export Oriented Projects ('LTFEOP')			
LTFEOP - I	8.15	<b>218,846,000</b>	218,846,000
LTFEOP - II	8.16	<b>226,722,000</b>	226,722,000
LTFEOP - III	8.17	<b>219,090,000</b>	219,090,000
LTFF - IV	8.18	<b>16,141,500</b>	-
LTFF - V	8.19	<b>9,586,916</b>	-
LTFF - VI	8.20	<b>24,330,900</b>	-
LTFF - VII	8.21	<b>40,340,000</b>	-
LTFF - VIII	8.22	<b>10,422,000</b>	-
LTFF - IX	8.23	<b>5,269,920</b>	-
LTFF - X	8.24	<b>3,275,400</b>	-
LTFF - XI	8.25	<b>28,578,900</b>	-
LTFF - XII	8.26	<b>215,926,500</b>	-
LTFF - XIII	8.27	<b>103,335,000</b>	-
LTFF - XIV	8.28	<b>170,082,920</b>	-
LTFF - XV	8.29	<b>11,069,000</b>	-
		<b>1,303,016,956</b>	664,658,000
		<b>2,039,332,845</b>	1,630,325,679
Current maturity presented under current liabilities	11	<b>(221,741,940)</b>	(254,009,628)
		<b>1,817,590,905</b>	1,376,316,051

**8.1** 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 profit at three months KIBOR plus 1.25% 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, 2017

- 8.2** 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 (2016: three months KIBOR plus 0.45% per annum), payable monthly. The finance is repayable in twenty four equal quarterly installments with the first installment due in December 2014.
- 8.3** 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 (2016: three months KIBOR plus 0.45% per annum), payable monthly. The finance is repayable in twenty four equal quarterly installments with the first installment due in December 2014.
- 8.4** 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 profit at three months KIBOR plus 0.65% per annum (2016: 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.
- 8.5** 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 profit at three months KIBOR plus 0.65% per annum (2016: 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.
- 8.6** 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 (2016: 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.
- 8.7** 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 2015.
- 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, payable quarterly. The finance is repayable in twenty four equal quarterly installments with the first installment due in September 2016.
- 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 carried interest/mark-up at three Months KIBOR plus 0.45% per annum payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in March 2019.
- 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 carried interest/mark-up at three Months KIBOR plus 0.45% per annum payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in February 2019.
- 8.13** 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 carried interest/mark-up at three Months KIBOR plus 0.45% per annum payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in April 2019.



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

- 8.14** 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 carried interest/mark-up at three Months KIBOR plus 0.45% per annum payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in September 2019.
- 8.15** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in May 2018.
- 8.16** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in May 2018.
- 8.17** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in June 2018.
- 8.18** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in February 2019.
- 8.19** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in April 2019.
- 8.20** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in August 2019.
- 8.21** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in August 2019.
- 8.22** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in February 2019.
- 8.23** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in March 2019.
- 8.24** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in April 2019.
- 8.25** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in April 2019.
- 8.26** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in April 2019.
- 8.27** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in May 2019.
- 8.28** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in June 2019.

## Notes to and forming part of financial statements for the year ended June 30, 2017

**8.29** 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 2.4% per annum, payable quarterly. The finance is repayable in thirty two equal quarterly installments with the first installment due in July 2019.

**8.30** For mortgages and charges on assets as security for liabilities, refer to note 39 to the financial statements.

<b>9 DEFERRED LIABILITIES</b>	<b>Note</b>	<b>2017 Rupees</b>	<b>2016 Rupees</b>
These include the following:			
Employees retirement benefits	9.1	<b>108,130,060</b>	91,759,993
Long term payables - Secured	9.2	<b>53,271,066</b>	38,541,319
Deferred taxation	9.3	<b>213,446,263</b>	89,560,990
		<b><u>374,847,389</u></b>	<u>219,862,302</u>

### 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		<b>91,759,993</b>	97,273,380
Charged to profit or loss during the year	9.1.2	<b>49,038,271</b>	41,773,046
Benefits paid during the year		<b>(31,958,361)</b>	(26,680,581)
Actuarial (gain)/loss arising during the year	9.1.2	<b>(709,843)</b>	(20,605,852)
As at end of the year		<b><u>108,130,060</u></b>	<u>91,759,993</u>

#### 9.1.2 Charge to profit or loss

Current service cost		<b>42,217,998</b>	32,960,072
Interest cost		<b>6,820,273</b>	8,812,974
		<b><u>49,038,271</u></b>	<u>41,773,046</u>

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

Cost of sales	23.2	<b>32,120,293</b>	27,259,964
Administrative and general expenses	25.1	<b>16,917,978</b>	14,513,082
		<b><u>49,038,271</u></b>	<u>41,773,046</u>

#### 9.1.4 Remeasurements recognized in other comprehensive income

Actuarial (gain)/loss arising from changes in:			
Demographic assumptions		<b>19,896,009</b>	-
Financial assumptions		<b>(1,377,462)</b>	(1,377,462)
Experience adjustments		<b>(19,228,390)</b>	(19,228,390)
		<b><u>(709,843)</u></b>	<u>(20,605,852)</u>

#### 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, 2017 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:

## Notes to and forming part of financial statements for the year ended June 30, 2017

	2017	2016
Discount rate		
Short term	9.25%	9.00%
Long term	8.00%	8.00%
Expected rates of increase in salary	9.25%	9.00%
Withdrawal rate	Moderate	Moderate

### 9.1.6 Average duration of the defined benefit plan

The average duration of the defined benefit obligation is 12.96 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, 2018 amounts to Rs. 48.871 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:

	2017		2016	
	Change in actuarial assumption	Defined benefit obligation Rupees	Change in actuarial assumption	Defined benefit obligation Rupees
Discount rate	+1%	95,524,742	+1%	80,915,343
	-1%	123,543,556	-1%	105,033,262
Expected rate of increase in salary	+1%	123,914,732	+1%	105,357,845
	-1%	95,019,548	-1%	80,477,078

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.

### 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).

## Notes to and forming part of financial statements for the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>9.3 Deferred taxation</b>			
Deferred tax liability on taxable temporary differences	9.3.1	236,775,544	189,195,392
Deferred tax asset on deductible temporary differences	9.3.1	(23,329,281)	(99,634,402)
		<u>213,446,263</u>	<u>89,560,990</u>

### 9.3.1 Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2017			
	As at July 01 2016 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at June 30 2017 Rupees
<b>Deferred tax liabilities</b>				
Operating fixed assets	189,195,392	47,580,152	-	236,775,544
	189,195,392	47,580,152	-	236,775,544
<b>Deferred tax assets</b>				
Employees retirement benefits	(14,135,823)	(4,026,896)	118,455	(18,044,264)
Accumulated impairment	(4,902,002)	(383,015)	-	(5,285,017)
Unused tax losses and credits	(80,596,577)	80,596,577	-	-
	(99,634,402)	76,186,666	118,455	(23,329,281)
	<u>89,560,990</u>	<u>123,766,818</u>	<u>118,455</u>	<u>213,446,263</u>
	2016			
	As at July 01 2015 Rupees	Recognized in profit or loss Rupees	Recognized in OCI Rupees	As at June 30 2016 Rupees
<b>Deferred tax liabilities</b>				
Operating fixed assets	33,494,366	155,701,026	-	189,195,392
	33,494,366	155,701,026	-	189,195,392
<b>Deferred tax assets</b>				
Employees retirement benefits	(4,783,417)	(12,526,782)	3,174,376	(14,135,823)
Accumulated impairment	(2,298,755)	(2,603,247)	-	(4,902,002)
Unused tax losses and credits	-	(69,728,928)	-	(80,596,577)
	(7,082,172)	(84,858,957)	3,174,376	(99,634,402)
	<u>26,412,194</u>	<u>70,842,069</u>	<u>3,174,376</u>	<u>89,560,990</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 30% (2016: 31%) of the timing differences so determined based on tax rates notified by the Government of Pakistan for future tax years.

## 10 TRADE AND OTHER PAYABLES

Trade creditors - <i>Unsecured</i>		199,316,254	153,857,383
Accrued liabilities		181,261,050	147,866,945
Advances from customers - <i>Unsecured</i>		6,561,814	10,123,689
Workers' Profit Participation Fund	10.1	20,154,971	7,010,437
Workers' Welfare Fund	10.2	8,555,932	4,994,542
Unclaimed dividend		3,258,589	2,755,727
Other payables - <i>Unsecured</i>		1,443,227	3,657,373
		<u>420,551,837</u>	<u>330,266,096</u>

## Notes to and forming part of financial statements for the year ended June 30, 2017

	<i>Note</i>	<b>2017 Rupees</b>	2016 <i>Rupees</i>
<b>10.1 Workers' Profit Participation Fund</b>			
As at beginning of the year		<b>7,010,437</b>	6,481,194
Interest on funds utilized by the Company	10.1.1	<b>590,604</b>	546,018
Charged to profit or loss for the year	28	<b>20,154,971</b>	7,010,437
Paid during the year		<b>(7,601,041)</b>	(7,027,212)
As at end of the year		<b>20,154,971</b>	7,010,437
<b>10.1.1</b> Interest is charged at 37.5% (2016: 18.75%) per annum.			
<b>10.2 Workers' Welfare Fund</b>			
As at beginning of the year		<b>4,994,542</b>	7,269,827
Charged to profit or loss for the year	28	<b>3,561,390</b>	2,611,731
Paid/adjusted during the year		<b>-</b>	(4,887,016)
As at end of the year		<b>8,555,932</b>	4,994,542
<b>11 CURRENT MATURITY OF NON-CURRENT LIABILITIES</b>			
Long term finances - <i>Secured</i>	8	<b>221,741,940</b>	254,009,628
		<b>221,741,940</b>	254,009,628
<b>12 SHORT TERM BORROWINGS - SECURED</b>			
These represent short term finances utilized under interest/mark-up arrangements from banking companies			
Running finances	12.1	<b>530,100,994</b>	61,163,760
Term loans	12.1	<b>712,700,000</b>	1,092,548,194
		<b>1,242,800,994</b>	1,153,711,954

**12.1** These facilities has been obtained from various banking companies for working capital requirements and are secured by charge over all present and future 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 six months KIBOR plus 0.05% to 1.25% per annum (2016: one to three months KIBOR plus 0.1% to 1.25% per annum).

The aggregate available short term funded facilities amounts to Rs. 4,615 million (2016: Rs. 4,015 million) out of which Rs. 3,372 million (2016: Rs. 2,861 million) remained unavailed as at the reporting date.

**12.2** For mortgages and charges on assets as security for liabilities, refer to note 39 to the financial statements.

## 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. 115.265 million (2016: Rs. 104.414 million), however the Company has already recognized related liability amounting to Rs. 53.27 million (2016: Rs. 38.54 million). See note 9.2.

**13.1.2** Bills discounted/negotiated as at the reporting date amount to Rs. 988.406 million (2016: Rs. 15.225 million).

**13.1.3** The Company has issued post dated cheques collectively amounting to Rs. 220.758 million (2016: Rs. 251.351 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.





# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>13.2 Commitments</b>			
<b>13.2.1 Commitments under irrevocable letters of credit for:</b>			
- purchase of stores, spares and loose tools		2,079,514	127,011
- purchase of raw material		12,649,155	383,212,049
		<b>14,728,669</b>	<b>383,339,060</b>
<b>13.2.2 Commitments for capital expenditure</b>		<b>109,362,790</b>	<b>563,480,050</b>
<b>14 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	14.1	3,868,751,586	3,511,366,822
Capital work in progress	14.2	29,139,119	1,312,395
		<b>3,897,890,705</b>	<b>3,512,679,217</b>

### 14.1 Operating fixed assets

	2017										
	COST					Rate %	DEPRECIATION			Net book value	
	As at July 01, 2016 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	As at June 30, 2017 Rupees		As at July 01, 2016 Rupees	For the year Rupees	Adjustment Rupees	As at June 30, 2017 Rupees	as at June 30, 2017 Rupees
Freehold land	87,092,738	-	-	-	87,092,738	-	-	-	-	-	87,092,738
Buildings on freehold land											
Factory buildings	439,222,373	-	-	37,539,856	476,762,229	10	349,983,448	43,009,918	-	392,993,366	83,768,863
Non-factory buildings	461,465,102	-	-	-	461,465,102	5	37,683,081	4,304,347	-	41,987,428	419,477,674
	900,687,475	-	-	37,539,856	938,227,331		387,666,529	47,314,265	-	434,980,794	503,246,537
Plant and machinery	4,542,335,861	-	(215,244,231)	702,718,833	5,029,810,463	10	1,764,759,220	299,006,809	(157,040,230)	1,906,725,799	3,123,084,664
Equipment and other assets	89,604,897	3,449,505	-	-	93,054,402	25-35	84,369,705	1,890,557	-	86,260,262	6,794,140
Electric installations	120,200,042	-	-	22,016,393	142,216,435	10	31,080,703	4,296,632	-	35,377,335	106,839,100
Office equipment - head office	4,919,754	-	-	-	4,919,754	10	3,853,382	106,636	-	3,960,018	959,736
Office equipment - factory	2,773,815	-	-	-	2,773,815	10	1,925,973	111,204	-	2,037,177	736,638
Furniture and fixtures - head office	199,098	-	-	-	199,098	10	159,958	3,914	-	163,872	35,226
Furniture and fixtures - factory	6,971,397	-	-	-	6,971,397	10	5,077,692	189,370	-	5,267,062	1,704,335
Vehicles	74,233,436	11,342,512	(4,244,538)	-	81,331,410	20	38,758,529	8,006,130	(3,691,721)	43,072,938	38,258,472
	<b>5,829,018,513</b>	<b>14,792,017</b>	<b>(219,488,769)</b>	<b>762,275,082</b>	<b>6,386,596,843</b>		<b>2,317,651,691</b>	<b>360,925,517</b>	<b>(160,731,951)</b>	<b>2,517,845,257</b>	<b>3,868,751,586</b>
	2016										
	COST					Rate %	DEPRECIATION			Net book value	
	As at July 01, 2015 Rupees	Additions Rupees	Disposals Rupees	Transfers Rupees	As at June 30, 2016 Rupees		As at July 01, 2015 Rupees	For the year Rupees	Adjustment Rupees	As at June 30, 2016 Rupees	as at June 30, 2016 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
	<b>5,156,948,376</b>	<b>13,651,554</b>	<b>(173,154,197)</b>	<b>831,572,780</b>	<b>5,829,018,513</b>		<b>2,131,557,316</b>	<b>310,122,913</b>	<b>(124,028,538)</b>	<b>2,317,651,691</b>	<b>3,511,366,822</b>

## Notes to and forming part of financial statements for the year ended June 30, 2017

### 14.1.1 Disposal of property, plant and equipment

	2017					Mode of disposal	Particulars of buyer
	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain on disposal Rupees		
<b>Plant and machinery</b>							
Air Jet Shutless Looms 31 Sets	99,267,098	75,165,038	24,102,060	46,084,538	21,982,478	Negotiation	MOM Tex (Private) Limited, Bangladesh
Air Jet Shutless Looms 10 Sets	33,531,783	25,391,341	8,140,442	14,865,980	6,725,538	Negotiation	MOM Tex (Private) Limited, Bangladesh
Air Jet Shutless Looms 09 Sets	28,818,549	21,821,955	6,996,594	13,706,537	6,709,943	Negotiation	Nannu Textile Limited, Bangladesh
Air Jet Shutless Looms 07 Sets	21,537,292	16,308,389	5,228,903	10,660,640	5,431,737	Negotiation	Nannu Textile Limited, Bangladesh
Power generation gas engine	32,089,509	18,353,507	13,736,002	6,000,000	(7,736,002)	Negotiation	Orient Energy Systems (Private) Limited
	<b>215,244,231</b>	<b>157,040,230</b>	<b>58,204,001</b>	<b>91,317,695</b>	<b>33,113,694</b>		
<b>Vehicles</b>							
Toyota corolla	1,443,630	1,096,728	346,902	500,000	153,098	Negotiation	Asad Abbas
Suzuki Cultus	605,403	583,525	21,878	100,000	78,122	Negotiation	Amir Munir (Employee)
Toyota corolla	1,193,705	1,128,627	65,078	150,000	84,922	Negotiation	Tazeen Zawar
Toyota corolla	1,001,800	882,841	118,959	200,000	81,041	Negotiation	Ch. Ameer Alam Narowal
	<b>4,244,538</b>	<b>3,691,721</b>	<b>552,817</b>	<b>950,000</b>	<b>397,183</b>		
	<b>219,488,769</b>	<b>160,731,951</b>	<b>58,756,818</b>	<b>92,267,695</b>	<b>33,510,877</b>		
<b>2016</b>							
	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain on disposal Rupees	Mode of disposal	Particulars of buyer
<b>Plant and machinery</b>							
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
	160,887,501	115,486,465	45,401,036	76,321,757	30,920,721		
<b>Equipment and other assets</b>							
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
	8,463,546	5,582,061	2,881,485	-	(2,881,485)		
<b>Vehicles</b>							
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
	3,803,150	2,960,012	843,138	1,250,000	406,862		
	<b>173,154,197</b>	<b>124,028,538</b>	<b>49,125,659</b>	<b>77,571,757</b>	<b>28,446,098</b>		

### 14.1.2 Transfers represent transfers from capital work in progress on related assets becoming available for use.

	Note	2017 Rupees	2016 Rupees
<b>14.1.3 The depreciation charge for the year has been allocated as follows:</b>			
Cost of sales	23	352,508,263	302,044,742
Administrative and selling expenses	25	8,417,254	8,078,171
		<b>360,925,517</b>	<b>310,122,913</b>

### 14.2 Capital work in progress

	2017			As at June 30, 2017 Rupees
	As at July 01, 2016 Rupees	Additions Rupees	Transfers Rupees	
Buildings on freehold land	-	66,666,148	(37,539,856)	29,126,292
Plant and machinery	1,312,395	701,419,265	(702,718,833)	12,827
Electric Installations	-	22,016,393	(22,016,393)	-
	<b>1,312,395</b>	<b>790,101,806</b>	<b>(762,275,082)</b>	<b>29,139,119</b>





# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

	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>

### 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.

	Note	2017 Rupees	2016 Rupees
<b>16 STORES, SPARES AND LOOSE TOOLS</b>			
Stores, spares and loose tools		<u>72,384,810</u>	<u>64,913,402</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

Raw material		<b>1,317,562,405</b>	1,211,885,677
Work in process		<b>93,614,949</b>	98,794,202
Finished goods	17.1	<b>410,342,285</b>	281,885,074
		<u><b>1,821,519,639</b></u>	<u>1,592,564,953</u>

**17.1** Stock of finished goods include stock of waste valued at Rs. 3,740,203 (2016: Rs. 303,894). The entire stock of waste is valued at net realizable value.

### 18 TRADE DEBTS

Local - <i>unsecured</i>			
considered good		<b>336,683,422</b>	290,389,255
considered doubtful		<b>30,735,752</b>	30,735,752
		<b>367,419,174</b>	321,125,007
Foreign - <i>secured</i>	18.1	<b>186,475,712</b>	12,075,533
		<b>553,894,886</b>	333,200,540
Accumulated impairment	18.2	<b>(30,735,752)</b>	(30,735,752)
		<u><b>523,159,134</b></u>	<u>302,464,788</u>

**18.1** These are secured through letters of credit

**18.2** Movement in accumulated impairment is as follows:

As at beginning of the year		<b>30,735,752</b>	31,035,752
Reversed during the year on recovery	26	-	(300,000)
As at end of the year		<u><b>30,735,752</b></u>	<u>30,735,752</u>



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>19 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Advances to suppliers - <i>unsecured, considered good</i>		19,209,044	33,587,798
Advances to employees - <i>unsecured, considered good</i>		12,133,985	9,753,427
Prepayments		648,185	18,574,014
Security deposits	19.1	54,074,816	39,065,113
Letters of credit		186,711	307,492
Other receivables - <i>unsecured</i>	19.2	5,243,543	3,213,826
		<u>91,496,284</u>	<u>104,501,670</u>
<b>19.1</b> These include Rs. 547,074,816 (2016: Rs. 39,065,113) deposited with a banking company against bank guarantees and carry a return at rates ranging from 4.5% to 6% (2016: 4.5% to 6%) per annum.			
<b>19.2 Particulars of other receivables</b>			
Considered good		5,243,543	3,213,826
Considered doubtful		99,583	99,583
		5,343,126	3,313,409
Accumulated impairment		(99,583)	(99,583)
		<u>5,243,543</u>	<u>3,213,826</u>
<b>20 CURRENT TAXATION</b>			
Advance income tax/income tax refundable		360,939,015	272,000,389
<b>21 BANK BALANCES</b>			
Cash at banks			
local currency		34,301,901	62,617,288
foreign currency		1,140,593	2,627,736
		<u>35,442,494</u>	<u>65,245,024</u>

	2017		
	Local Rupees	Export Rupees	Total Rupees
<b>22 SALES - NET</b>			
Yarn	2,594,114,761	2,770,069,313	5,364,184,074
Fabric	2,136,121,056	332,801,282	2,468,922,338
Cotton and polyester	161,315,165	-	161,315,165
Waste and other	68,438,296	-	68,438,296
	4,959,989,278	3,102,870,595	8,062,859,873
Duty drawback on export	-	1,541,962	1,541,962
Sales tax	(163,406)	-	(163,406)
	<u>4,959,825,872</u>	<u>3,104,412,557</u>	<u>8,064,238,429</u>
	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	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
Sales tax	(114,064,188)	-	(114,064,188)
	<u>3,908,432,289</u>	<u>2,938,312,203</u>	<u>6,846,744,492</u>



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

	<i>Note</i>	<b>2017</b> <i>Rupees</i>	<b>2016</b> <i>Rupees</i>
<b>23 COST OF SALES</b>			
Raw material consumed	23.1	<b>5,266,527,588</b>	4,453,760,830
Stores, spares and loose tools consumed		<b>206,652,270</b>	194,681,200
Salaries, wages and benefits	23.2	<b>536,276,131</b>	478,663,294
Fee and subscription		<b>174,792</b>	731,280
Fuel and power		<b>815,179,106</b>	762,513,711
Insurance		<b>19,520,639</b>	18,380,237
Vehicle running and maintenance		<b>7,518,524</b>	7,560,569
Rent, rates and taxes		<b>451,036</b>	426,031
Repair and maintenance		<b>4,658,903</b>	6,314,074
Communication		<b>657,432</b>	1,031,244
Traveling, conveyance and entertainment		<b>973,307</b>	1,030,708
Depreciation	14.1.3	<b>352,508,263</b>	302,044,742
Others		<b>2,590,543</b>	2,675,490
Manufacturing cost		<b>7,213,688,534</b>	6,229,813,410
Work in process			
As at beginning of the year		<b>98,794,202</b>	85,254,654
As at end of the year		<b>(93,614,949)</b>	(98,794,202)
		<b>5,179,253</b>	(13,539,548)
Cost of goods manufactured		<b>7,218,867,787</b>	6,216,273,862
Cost of cotton sold	23.3	<b>166,103,863</b>	137,424,990
Finished goods			
As at beginning of the year		<b>281,885,074</b>	240,259,662
Purchased during the year		<b>12,352,103</b>	13,625,575
Loss due to theft		<b>(71,621)</b>	(90,000)
As at end of the year		<b>(410,342,285)</b>	(281,885,074)
		<b>(116,176,729)</b>	(28,089,837)
		<b>7,268,794,921</b>	6,325,609,015
<b>23.1 Raw material consumed</b>			
As at beginning of the year		<b>1,211,885,677</b>	861,164,939
Purchased during the year		<b>5,534,703,969</b>	4,939,106,363
Sold during the year		<b>(162,499,653)</b>	(134,624,795)
As at end of the year		<b>(1,317,562,405)</b>	(1,211,885,677)
		<b>5,266,527,588</b>	4,453,760,830
<b>23.2</b> These include charge in respect of employees retirement benefits amounting to Rs. 32,120,293 (2016: Rs. 27,259,964).			
<b>23.3 Cost of cotton sold</b>			
Cost of purchase		<b>158,372,550</b>	131,210,228
Salaries, wages and benefits		<b>706,367</b>	609,432
Loading and unloading		<b>16,767</b>	13,934
Insurance		<b>1,451,399</b>	1,186,052
Finance cost		<b>5,556,780</b>	4,405,344
		<b>166,103,863</b>	137,424,990
<b>24 SELLING AND DISTRIBUTION EXPENSES</b>			
<b>Export</b>			
Ocean freight and forwarding		<b>68,029,791</b>	54,743,790
Export development surcharge		<b>6,857,471</b>	7,711,760
Export sales promotion		<b>-</b>	262,703
Commission		<b>42,395,110</b>	38,674,432
Others		<b>860,496</b>	931,907
		<b>118,142,868</b>	102,324,592

## Notes to and forming part of financial statements for the year ended June 30, 2017

	<i>Note</i>	<u>2017 Rupees</u>	<u>2016 Rupees</u>
<b>Local</b>			
Inland transportation		1,723,385	1,512,483
Commission		30,712,796	22,911,185
Others		48,673	265,920
		<u>32,484,854</u>	<u>24,689,588</u>
		<u>150,627,722</u>	<u>127,014,180</u>
<b>25 ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Directors' remuneration		20,400,000	14,400,000
Salaries and benefits	25.1	55,810,280	65,750,209
Traveling, conveyance and entertainment		5,768,664	5,154,102
Printing and stationery		942,587	810,517
Communication		1,412,524	1,399,374
Vehicles running and maintenance		3,387,572	4,985,242
Legal and professional charges		1,296,470	775,014
Auditors' remuneration	25.2	1,388,500	1,385,000
Fee and subscription		2,029,437	2,544,926
Repair and maintenance		24,460	86,200
Depreciation	14.1.3	8,417,254	8,078,171
Rent, rates and utilities		9,224,106	9,918,795
Oracle license and support fee		104,018	-
Others		2,434,764	1,382,643
		<u>112,640,636</u>	<u>116,670,193</u>
<b>25.1</b> These include charge in respect of employees retirement benefits amounting to Rs. 16,917,978 (2016: Rs. 14,513,082).			
<b>25.2 Auditor's remuneration</b>			
Annual statutory audit		1,200,000	1,200,000
Half yearly review		128,500	125,000
Review report under Code of Corporate Governance		50,000	50,000
Out of pocket expenses		10,000	10,000
		<u>1,388,500</u>	<u>1,385,000</u>
<b>26 OTHER INCOME</b>			
<b>Gain on financial instruments</b>			
Reversal of impairment on trade debts on recovery	18.2	-	300,000
Return on bank deposits	19.1	2,231,281	1,071,724
		2,231,281	1,371,724
<b>Other income</b>			
Gain on disposal of property, plant and equipment	14.1.1	33,510,877	28,446,098
		<u>35,742,158</u>	<u>29,817,822</u>
<b>27 FINANCE COST</b>			
Interest / mark-up on borrowings:			
long term finances		75,902,947	86,712,322
short term borrowings		73,539,831	62,743,721
		149,442,778	149,456,043
Interest on workers' profit participation fund	10.1	590,604	546,018
Bank charges and commission	27.2	16,025,113	18,904,145
		<u>166,058,495</u>	<u>168,906,206</u>



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

27.1 Interest/mark-up amounting to Rs. 3,270,531 (2016: Rs. 7,153,375) was capitalized during the year as part of cost of property, plant and equipment.

27.2 These include letters of credit discounting charges amounting to Rs. 5,608,810 (2016: Rs. 16,601,153).

	<i>Note</i>	<b>2017 Rupees</b>	2016 <i>Rupees</i>
<b>28 OTHER CHARGES</b>			
Workers' Profit Participation Fund	10.1	<b>20,154,971</b>	7,010,437
Workers' Welfare Fund	10.2	<b>3,561,390</b>	2,611,731
Donations	28.1	<b>650,000</b>	1,300,000
		<b>24,366,361</b>	10,922,168

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

## 29 CURRENT TAXATION

Current year	29.1	<b>7,929,134</b>	-
Prior year		-	(202,404)
		<b>7,929,134</b>	(202,404)

29.1 Provision for current tax has been made in accordance with section 113 and section 169 (2016: section 18 and section 154) of the Income Tax Ordinance, 2001 ('the Ordinance').

## 29.2 Reconciliation between average effective tax rate and applicable tax rate

	<i>Unit</i>	2016
Profit before taxation	<b>Rupees</b>	127,440,552
Provision for taxation	<b>Rupees</b>	32,502,032
Average effective tax rate	%	25.50
Tax effects of:		
Adjustments for prior years	%	0.16
Income chargeable to tax at different rates	%	(23.58)
Deferred taxation	%	(25.66)
Tax credit	%	55.58
Applicable tax rate	%	32.00

There is no relationship between provision for taxation and accounting profit for the year ended June 30, 2017. Therefore no reconciliation has been presented for year ended June 30, 2017

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

29.4 Assessments upto tax year 2016 have been finalized under relevant provisions of Income Tax Ordinance, 2001.

29.5 The Government of Pakistan vide Finance Act 2016 notified a reduced tax rate of 31% for tax year 2017 as compared to 32% applicable to previous year for Companies.

	<i>Note</i>	<b>2017 Rupees</b>	2016 <i>Rupees</i>
<b>30 DEFERRED TAXATION</b>			
Attributable to origination and reversal of temporary differences		<b>126,655,882</b>	34,382,003
Attributable to changes in tax rates		<b>(2,889,064)</b>	(1,677,567)
		<b>123,766,818</b>	32,704,436



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

	<i>Unit</i>	2017	2016
<b>31 EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Profit attributable to ordinary shareholders	<i>Rupees</i>	<b>245,796,500</b>	94,938,520
Weighted average number of ordinary shares outstanding during the year	<i>No. of shares</i>	<b>6,432,000</b>	6,432,000
Earnings per share	<i>Rupees</i>	<b>38.21</b>	14.76
There is no diluting effect on the basic earnings per share of the Company.			
	<i>Note</i>	<b>2017</b>	2016
		<i>Rupees</i>	<i>Rupees</i>
<b>32 CASH GENERATED FROM OPERATIONS</b>			
<b>Profit before taxation</b>		<b>377,492,452</b>	127,440,552
<b>Adjustments for non-cash and other items</b>			
Interest/markup on borrowings		<b>149,442,778</b>	149,456,043
Gain on disposal of property, plant and equipment		<b>(33,510,877)</b>	(28,446,098)
Provision for employees retirement benefits		<b>49,038,271</b>	41,773,046
Depreciation		<b>360,925,517</b>	310,122,913
		<b>525,895,689</b>	472,905,904
		<b>903,388,141</b>	600,346,456
<b>Changes in working capital</b>			
Stores, spares and loose tools		<b>(7,471,408)</b>	2,538,833
Stock in trade		<b>(228,954,686)</b>	(405,885,698)
Trade debts		<b>(220,694,346)</b>	(67,875,262)
Advances, deposits, prepayments and other receivables		<b>13,005,386</b>	(42,744,458)
Sales tax refundable		<b>(72,837,182)</b>	(130,515,107)
Trade and other payables		<b>89,782,879</b>	(17,059,665)
Long term payables		<b>14,729,747</b>	9,719,681
		<b>(412,439,610)</b>	(651,821,676)
<b>Cash generated from/(used in) operations</b>		<b>490,948,531</b>	(51,475,220)
<b>33 CASH AND CASH EQUIVALENTS</b>			
Bank balances	21	<b>35,442,494</b>	65,245,024
		<b>35,442,494</b>	65,245,024

## 34 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:

### 34.1 Transactions with related parties

Nature of relationship	Nature of transactions			
Associated companies	Sale of yarn	<b>792,425,223</b>	656,496,915	
	Sale of fabric	<b>25,905</b>	15,229,460	
	Sale of cotton	<b>155,663,379</b>	133,005,385	
	Purchase of cotton	<b>16,141,910</b>	22,299,405	
	Purchase of yarn	<b>221,360,949</b>	172,791,349	
	Purchase of fabric	-	6,594	
	Purchase of machinery	-	8,424,000	
	Purchase of electricity	<b>637,411,840</b>	535,101,924	
	Services received	<b>324,000</b>	318,000	
	Dividend paid	<b>5,945,800</b>	5,945,800	
	Key management personnel	Short term employee benefits	<b>20,400,000</b>	14,400,000



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

### 35 FINANCIAL INSTRUMENTS

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

	Note	2017 Rupees	2016 Rupees
<b>35.1 Financial assets</b>			
<i>Loans and receivables</i>			
Long term deposits	15	14,154,095	14,154,095
Trade debts	18	523,159,134	302,464,788
Security deposits	19.1	54,074,816	39,065,113
Bank balances	21	35,442,494	65,245,024
		<u>626,830,539</u>	<u>420,929,020</u>
<b>35.2 Financial liabilities</b>			
<i>Financial liabilities at amortized cost</i>			
Long term finances	8	2,039,332,845	1,630,325,679
Short term borrowings	12	1,242,800,994	1,153,711,954
Accrued interest/markup		30,863,256	27,158,358
Trade creditors	10	199,316,254	153,857,383
Accrued liabilities	10	181,261,050	147,866,945
Unclaimed dividend	10	3,258,589	2,755,727
		<u>3,696,832,988</u>	<u>3,115,676,046</u>

### 36 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:

#### 36.1 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.

##### 36.1.1 Maximum exposure to credit risk

The gross carrying amount of Company's loans and receivables represents maximum exposure to credit risk. The maximum exposure to credit risk as at the reporting date is as follows:

	Note	2017 Rupees	2016 Rupees
<i>Loans and receivables</i>			
Long term deposits	15	14,154,095	14,154,095
Trade debts	18	523,159,134	302,646,788
Security deposits	19	54,074,816	39,065,113
Bank balances	21	35,442,494	65,245,024
		<u>626,830,539</u>	<u>420,929,020</u>



## Notes to and forming part of financial statements for the year ended June 30, 2017

### 36.1.2 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:

	2017 Rupees	2016 Rupees
Customers	523,285,348	302,464,788
Utility companies and regulatory authorities	14,159,095	15,775,773
Banking companies and financial institutions	89,512,310	102,688,459
	<b>626,956,753</b>	<b>420,929,020</b>

### 36.1.3 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:

	2017		2016	
	Gross carrying amount Rupees	Accumulated Impairment Rupees	Gross carrying amount Rupees	Accumulated Impairment Rupees
Neither past due nor impaired	186,475,712	-	12,075,533	-
Past due by 0 to 6 months	321,204,513	-	223,568,970	-
Past due by 6 months to 1 year	15,415,689	-	49,305,300	-
Past due by more than 1 year	30,798,972	30,735,752	48,250,737	30,735,752
	<b>553,894,886</b>	<b>30,735,752</b>	<b>333,200,540</b>	<b>30,735,752</b>

The Company's one (2016: two) significant customer accounts for Rs. 82.37 million (2016: Rs. 103.47 million) of trade debts as at the reporting date, apart from which, exposure to any single customer does not exceed 10% (2016: 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. 186.475 million (2016: Rs. 12.075 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.

### 36.1.4 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.

### 36.1.5 Credit risk management

As mentioned in note 36.1.3 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.



## Notes to and forming part of financial statements for the year ended June 30, 2017

### 36.2 Liquidity risk

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

#### 36.2.1 Exposure to liquidity risk

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

	2017				
	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	2,039,332,845	1,850,445,233	307,932,826	1,216,220,256	326,292,151
Short term borrowings	1,242,800,994	1,246,639,358	1,246,639,358	-	-
Accrued interest/mark-up	30,863,256	30,863,256	30,863,256	-	-
Trade creditors	199,316,254	199,316,254	199,316,254	-	-
Accrued liabilities	181,261,050	181,261,050	181,261,050	-	-
Unclaimed dividend	3,258,589	3,258,589	3,258,589	-	-
	<b>3,696,832,988</b>	<b>3,511,783,740</b>	<b>1,969,271,333</b>	<b>1,216,220,256</b>	<b>326,292,151</b>
	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	1,870,160,164	327,647,757	1,216,220,256	326,292,151
Short term borrowings	1,153,711,954	1,156,918,172	1,156,918,172	-	-
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	-	-
	<b>3,115,676,046</b>	<b>3,358,716,749</b>	<b>1,816,204,342</b>	<b>1,216,220,256</b>	<b>326,292,151</b>

#### 36.2.2 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.

### 36.3 Market risk

#### 36.3.1 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:

	2017				
	CHF Rupees	JPY Rupees	Euro Rupees	USD Rupees	Total Rupees
<b>Financial assets</b>					
Trade debts	-	-	-	186,475,712	186,475,712
Bank balances	-	-	-	1,140,593	1,140,593
	-	-	-	187,616,305	187,616,305
<b>Financial liabilities</b>					
Net balance sheet exposure	-	-	-	187,616,305	187,616,305
Foreign currency commitments	(14,267,500)	(15,243,310)	(3,798,423)	(61,782,226)	(95,091,459)
<b>Net exposure</b>	<b>(14,267,500)</b>	<b>(15,243,310)</b>	<b>(3,798,423)</b>	<b>125,834,079</b>	<b>92,524,846</b>

## Notes to and forming part of financial statements for the year ended June 30, 2017

	2016				
	CHF Rupees	JPY Rupees	Euro Rupees	USD Rupees	Total Rupees
<b>Financial assets</b>					
Trade debts	-	-	-	12,075,533	12,075,533
Bank balances	-	-	-	2,627,736	2,627,736
	-	-	-	14,703,269	14,703,269
<b>Financial liabilities</b>	-	-	-	-	-
<b>Net balance sheet exposure</b>	-	-	-	14,703,269	14,703,269
Foreign currency commitments	(219,042,500)	(31,576,600)	(316,558,019)	(379,641,991)	(946,819,110)
<b>Net exposure</b>	<u>(219,042,500)</u>	<u>(31,576,600)</u>	<u>(316,558,019)</u>	<u>(364,938,722)</u>	<u>(932,115,841)</u>

(b) **Exchange rates applied as at the reporting date**

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

	2017		2016	
	Assets Rupees	Liabilities Rupees	Assets Rupees	Liabilities Rupees
CHF	-	109.75	-	106.85
JPY	-	0.94	-	1.02
Euro	-	120.14	-	116.31
USD	104.80	105.00	104.50	104.70

(c) **Sensitivity analysis**

A ten percent appreciation in Pak Rupee against the US \$ would have decreased profit for the year by Rs. 18.761 million (2016: Rs. 1.47 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.

(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.

36.3.2 **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:

	2017 Rupees	2016 Rupees
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	1,303,016,956	664,658,000
<b>Variable rate instruments</b>		
Financial assets	54,074,816	39,065,113
Financial liabilities	1,979,116,883	2,119,379,633

(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.

## Notes to and forming part of financial statements for the year ended June 30, 2017

### (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. 19.791 million (2016: Rs. 21.19 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.

### 36.3.3 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.

## 37 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:

	<i>Unit</i>	<u>2017</u>	<u>2016</u>
Total debt	<i>Rupees</i>	<b>2,039,332,845</b>	1,630,325,679
Total equity	<i>Rupees</i>	<b>2,973,278,561</b>	2,759,050,673
		<b><u>5,012,611,406</u></b>	<u>4,389,376,352</u>
Gearing	<i>% age</i>	<b>40.68%</b>	37.14%

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.

## 38 FAIR VALUE MEASUREMENTS

### 38.1 Financial Instruments

#### 38.1.1 Financial instruments measured at fair value

The Company measures some of its assets at fair value at the end of each reporting period. Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements and has the following levels.

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value hierarchy of assets measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

#### a) **Recurring fair value measurements**

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



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

### b) Non-recurring fair value measurements

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

### 38.1.2 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.

### 38.2 Assets and liabilities other than financial instruments.

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

## 39 RESTRICTION ON TITLE, AND ASSETS MORTGAGED/PLEDGED AS SECURITY

	2017 Rupees	2016 Rupees
<b>Mortgages and charges</b>		
Charge over current assets	6,157,000,000	6,024,000,000
Charge over fixed assets	3,478,000,000	3,435,900,000

## 40 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:

	2017		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	6,800,000	13,600,000	25,835,469
Allowances and perquisites	-	-	19,092,632
Post employment benefits	-	-	3,744,008
	<u>6,800,000</u>	<u>13,600,000</u>	<u>48,672,109</u>
Number of persons	<u>1</u>	<u>2</u>	<u>36</u>
	2016		
	Chief Executive Rupees	Directors Rupees	Executives Rupees
Managerial remuneration	4,800,000	9,600,000	23,141,617
Allowances and perquisites	-	-	17,356,212
Post employment benefits	-	-	2,892,702
	<u>4,800,000</u>	<u>9,600,000</u>	<u>43,390,531</u>
Number of persons	<u>1</u>	<u>2</u>	<u>33</u>

## 41 SEGMENT INFORMATION

### 41.1 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.



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

### 41.2 Information about reportable segments

	2017			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Revenue from external customers	5,585,301,315	2,478,937,114	-	8,064,238,429
Intersegment revenues	-	-	65,777,843	65,777,843
Depreciation	257,280,962	97,889,516	5,755,039	360,925,517
Segment results	414,766,623	169,432,479	(16,281,794)	567,917,308
Segment assets	4,895,040,551	1,752,426,809	59,114,412	6,706,581,772
Segment liabilities	290,038,750	205,535,395	54,409,326	549,983,471
Interest income	2,231,281	-	-	2,231,281
Additions to non-current assets	676,775,556	128,118,267	-	804,893,823
Disposals of property, plant and equipment	13,822,958	44,933,860	-	58,756,818

	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

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.

### 41.3 Reconciliations of reportable segment information

#### 41.3.1 Segment revenues

	2017			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	5,585,301,315	2,478,937,114	65,777,843	8,130,016,272
Inter-segment revenues	-	-	(65,777,843)	(65,777,843)
Total for the Company	<u>5,585,301,315</u>	<u>2,478,937,114</u>	<u>-</u>	<u>8,064,238,429</u>

	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, 2017

### 41.3.2 Segment assets

	2017			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	4,895,040,551	1,752,426,809	59,114,412	6,706,581,772
Unallocated assets				
Long term deposits				14,154,095
Advance income tax/income tax refundable				360,939,015
Total for the Company	<u>4,895,040,551</u>	<u>1,752,426,809</u>	<u>59,114,412</u>	<u>7,081,674,882</u>
	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>

### 41.3.3 Segment liabilities

	2017			
	Spinning Rupees	Weaving Rupees	Power Rupees	Total Rupees
Total for reportable segments	290,038,750	205,535,395	54,409,326	549,983,471
Un-allocated liabilities				
Long term finances				2,039,332,845
Deferred taxation				213,446,263
Short term borrowings				1,242,800,994
Accrued interest/mark-up				30,863,256
Workers' Profit Participation Fund				20,154,971
Workers' Welfare Fund				8,555,932
Unclaimed dividend				3,258,589
Total for the Company				<u>4,108,396,321</u>
	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>

### 41.4 Geographical information

The Company's operations are not distributed geographically.

### 41.5 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.



# BLESSED TEXTILES LIMITED

## Notes to and forming part of financial statements for the year ended June 30, 2017

### 42 SHARES IN THE COMPANY HELD BY ASSOCIATED COMPANIES

Faisal Spinning Mills Limited, an associated company, holds 1,189,160 (2016: 1,189,160) ordinary shares of Rs. 10 each in the Company.

### 43 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on September 27, 2017 has proposed dividend on ordinary shares at Rs.15.30 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.

### 44 PLANT CAPACITY AND ACTUAL PRODUCTION

	<i>Unit</i>	<b>2017</b>	2016
<b>Spinning</b>			
Number of spindles installed	<i>No.</i>	<b>68,640</b>	59,136
Plant capacity on the basis of utilization converted into 20s count	<i>Kgs'000</i>	<b>23,405</b>	21,636
Actual production converted into 20s count	<i>Kgs'000</i>	<b>21,911</b>	20,980
<b>Weaving</b>	<i>Unit</i>	<b>2017</b>	2016
Number of looms installed	<i>No.</i>	<b>140</b>	139
Plant capacity on the basis of utilization converted into 50 picks	<i>Mtrs'000</i>	<b>20,352</b>	19,771
Actual production converted into 50 picks	<i>Mtrs'000</i>	<b>14,507</b>	11,634

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.

	<i>Unit</i>	<b>2017</b>	2016
<b>Power</b>			
Installed capacity	<i>Mwhs</i>	<b>47,304</b>	47,304
Power generated	<i>Mwhs</i>	<b>16,872</b>	16,872

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

### 45 NUMBER OF EMPLOYEES

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

	<b>2017</b>	2016
	<i>No. of persons</i>	<i>No. of persons</i>
As at the reporting date	<b>1,329</b>	1,191
Average for the year	<b>1,302</b>	1,197

### 46 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.


### 47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 27th, 2017 by the Board of Directors of the Company.

### 48 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.

  
**Mohammad Amin**  
Chief Executive

  
**Mohammad Salim**  
Director

Karachi  
Date: September 27<sup>th</sup>, 2017



# BLESSED TEXTILES LIMITED

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2017

NUMBER OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD
	FROM	TO	
361	1	100	12,102
155	101	500	60,723
28	501	1000	25,430
39	1001	5000	113,200
4	5001	10000	29,244
6	10001	15000	79,085
3	15001	20000	53,800
1	20001	25000	20,500
4	25001	30000	114,501
1	35001	40000	40,000
3	40001	45000	125,000
2	45001	50000	97,500
1	50001	55000	55,000
1	60001	65000	63,900
2	65001	70000	134,500
2	70001	75000	143,530
3	90001	95000	280,485
3	95001	100000	294,500
1	100001	105000	103,000
1	125001	130000	126,100
1	130001	135000	135,000
2	135001	140000	273,700
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>633</u>			<u>6,432,000</u>

\* There is no shareholding in the slab not mentioned





# BLESSED TEXTILES LIMITED

AS AT JUNE 30, 2017

Sr #	Shareholder Category	Percentage	No. of Shares
<b>1</b>	<b>ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES</b>		
	M/S. FAISAL SPINNING MILLS LTD	18.49	1,189,160
	MR. MUHAMMAD SHAKEEL	0.47	30,000
	MR. FARRUKH SALEEM	1.41	91,000
	MR. YOUSUF SALEEM	1.96	126,100
	MR. SAQIB SALEEM	1.47	94,700
	MR. MUHAMMAD QASIM	4.17	268,100
	MR. FAISAL SHAKEEL	8.04	516,985
	MR. ABDULLAH BILAL	1.53	98,100
	MR. UMER KHURRAM	0.04	2,500
	MRS. NAZLI BEGUM	1.02	65,500
	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
<b>2</b>	<b>CEO, DIRECTORS AND THEIR SPOUSES AND MINOR CHILDREN</b>		
	MR. MUHAMMAD SHAHEEN	1.07	69,000
	MR. MUHAMMAD SALEEM	0.78	50,000
	MR. MUHAMMAD SHARIF	0.04	2,500
	MR. KHURRAM SALEEM	0.99	63,900
	MR. HAMZA SHAKEEL	0.06	4,000
	MR. IQBAL MEHBOOB VOHRA	0.04	2,500
	MR. BILAL SHARIF	3.58	230,285
	MR. MUHAMMAD 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. AMNA KHURRAM	2.73	175,803
	MRS. SAMIA BILAL	8.33	536,000
	MRS. FATIMA AMIN	5.14	330,400
	MASTER AZAAN BILAL	1.53	98,200
	MASTER ALI BILAL	1.53	98,200
<b>3</b>	<b>BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS AND INSURANCE COMPANIES</b>		
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	6.12	393,900
	NATIONAL BANK OF PAKISTAN	0.00	31

# BLESSED TEXTILES LIMITED

AS AT JUNE 30, 2017

Sr #	Shareholder Category	Percentage	No. of Shares
<b>4</b>	<b>JOINT STOCK COMPANIES</b>		
	SHAFI (PRIVATE) LIMITED	0.01	400
	M/S. MEHRAN SUGAR MILLS LIMITED	0.00	200
	M/S. KOHINOOR TEXTILE MILLS LIMITED	0.27	17,300
<b>5</b>	<b>INDIVIDUAL SHAREHOLDERS</b>	8.54	549,342
<b>6</b>	<b>OTHER COMPANIES</b>	0.52	33,527
	<b>TOTAL</b>	<b>100.00</b>	<b>6,432,000</b>
<b>7</b>	<b>DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN</b>	-	NIL
<b>8</b>	<b>SHAREHOLDERS HOLDING 05% OR MORE</b>		
	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, 2017

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Directors Chief Executive Officer their Spouses and minor childrens	18	2,470,088	38.40
2	Associated Companies, Undertaking and Related Parties	18	2,967,212	46.13
3	Banks / Financial Institutions	1	31	0.00
4	Insurance Companies	1	393,900	6.13
5	General Public / Individuals	587	549,342	8.54
6	Joint Stock Companies	3	17,900	0.28
7	Other Companies	5	33,527	0.52
		<b>633</b>	<b>6,432,000</b>	<b>100.00</b>

## Year wise Operating Data

### Year Ended 30<sup>th</sup> June

	2017	2016	2015	2014	2013	2012
<b>Spinning Unit</b>						
Spindle installed	68,640	59,136	59,136	55,872	47,616	47,616
Spindle worked	68,640	59,136	59,136	55,872	47,616	47,616
Installed capacity after conversion in to 20/s count (Kgs)	23,405,000	21,015,867	21,015,867	21,015,867	20,413,000	20,413,000
Actual production (Kgs)	21,911,000	20,979,751	19,934,197	18,657,200	16,220,000	18,498,000
<b>Weaving Unit</b>						
Air jet looms installed	140	139	136	136	136	131
Air jet looms worked	140	139	136	136	136	131
Installed capacity after conversion into 50 picks - (meters)	20,352,500	19,771,000	19,771,000	19,771,000	19,771,000	17,483,076
Actual production - (meters)	14,491,059	11,634,888	11,456,148	19,735,000	19,735,000	25,059,000

## Year wise Financial Data

### Year Ended 30<sup>th</sup> June

	2017	2016	2015	2014	2013	2012
<b>Profit and loss account</b>						
	<b>Rupees in Thousands</b>					
Turnover (Net)	8,064,238	6,846,744	7,623,285	7,379,595	5,765,769	5,447,990
Gross profit	795,443	521,135	650,230	774,305	819,115	732,112
Operating profit	567,917	296,346	379,266	486,438	582,917	476,657
Financial expenses	166,058	168,906	260,190	257,648	138,293	137,939
Profit before tax	377,492	127,440	119,076	228,790	444,624	338,718
Profit after tax	245,796	94,938	82,001	233,536	399,081	283,282

## Balance Sheet

Share Capital	64,320	64,320	64,320	64,320	64,320	64,320
Reserves	2,800,000	2,600,000	2,550,000	2,500,000	2,300,000	1,900,000
Shareholder equity	2,973,278	2,759,050	2,678,841	2,619,025	2,421,221	2,058,766
Long term liabilities	1,817,590	1,376,316	1,063,744	1,321,203	475,706	445,840
Short term loan	1,242,800	1,153,712	380,500	682,904	627,290	271,863
Current liabilities	1,915,958	1,765,146	1,038,510	1,404,997	1,144,986	688,449
Current portion of long term loans	221,741	254,009	280,492	274,746	160,272	107,836
Fixed assets	3,897,890	3,512,679	3,052,232	3,237,433	1,994,405	1,734,165
Current assets	3,169,630	2,593,542	1,877,665	2,217,505	2,147,819	1,519,067

## Ratios

### Performance

Sales growth percentage - Year to Year basis	17.80%	-10.19%	3.30%	27.99%	5.83%	-11.05%
Gross profit (%)	9.86%	7.61%	8.53%	10.49%	14.21%	13.44%
Profit before tax (%)	4.68%	1.86%	1.56%	3.10%	7.71%	6.22%
Profit after tax (%)	3.05%	1.39%	1.08%	3.16%	6.92%	5.20%

### Leverage

Gearing ratio	1.10	1.01	0.64	0.87	0.52	0.40
Debt to equity (%)	41.59%	49.88%	39.71%	50.45%	19.65%	21.66%
Interest covering ratio	3.27	1.75	1.46	1.89	4.22	3.46

### Liquidity ratio

Current ratio	1.65	1.47	1.81	1.58	1.88	2.21
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## ڈائریکٹرز کی رپورٹ

محترم اراکین

آپ کی کمپنی کے ڈائریکٹرز ہیر یو اے کمپنی کے مالیاتی بیان 30 جون 2017 ختم ہوئی سال کے لئے پراڈٹ رپورٹ پیش کرنے کے لئے راضی ہیں۔

2016 (روپے)	2017 (روپے)	مالیاتی کارکردگی
6,846,744,492	8,064,238,429	فروخت
6,325,609,015	7,268,794,921	سامان کی قیمت فروخت
<b>521,135,477</b>	<b>795,443,508</b>	مجموعی منافع
<b>550,953,299</b>	<b>831,185,666</b>	
127,014,180	150,627,722	(دوسرے آپریٹنگ آمدنی) اخراجات آتے
116,670,193	112,640,636	تقسیم کی قیمت
10,922,168	24,366,361	انتظامی اخراجات
168,906,206	166,058,495	دوسرے آپریٹنگ اخراجات
<b>423,512,747</b>	<b>453,693,214</b>	مالیات کی قیمت
<b>127,440,552</b>	<b>377,492,452</b>	ٹیکس سے پہلے نفع
-	-	ٹیکس کی وصولی کے لئے رزق
(202,404)	7,929,134	موجودہ سال
32,704,436	123,766,818	گزشتہ سال
32,502,032	131,695,952	ملٹوی
<b>94,938,520</b>	<b>245,796,500</b>	ٹیکس کے بعد فائدہ
<b>14.76</b>	<b>38.21</b>	فی شیئر - بنیادی اور کم ہوگی آمدنی

ملکی آمدنی بہتر قیمت پچھلے سال کے مقابلے کی وجہ سے روپے 8,064.238 ملین سے 6,846.744 ملین روپے سے جی اٹھا۔ موجودہ سال میں فروخت کرنے کے لئے مجموعی منافع 10.0 فیصد کو پچھلے سال کے مقابلے میں جہاں یہ یعنی 8 فی صد پر کھڑا ہے۔ موجودہ اور سابقہ سالوں میں بڑے پیمانے پر بھر کی وجہ سے بہتر اور مثر پیداوار ہونے کی وجہ ہے۔

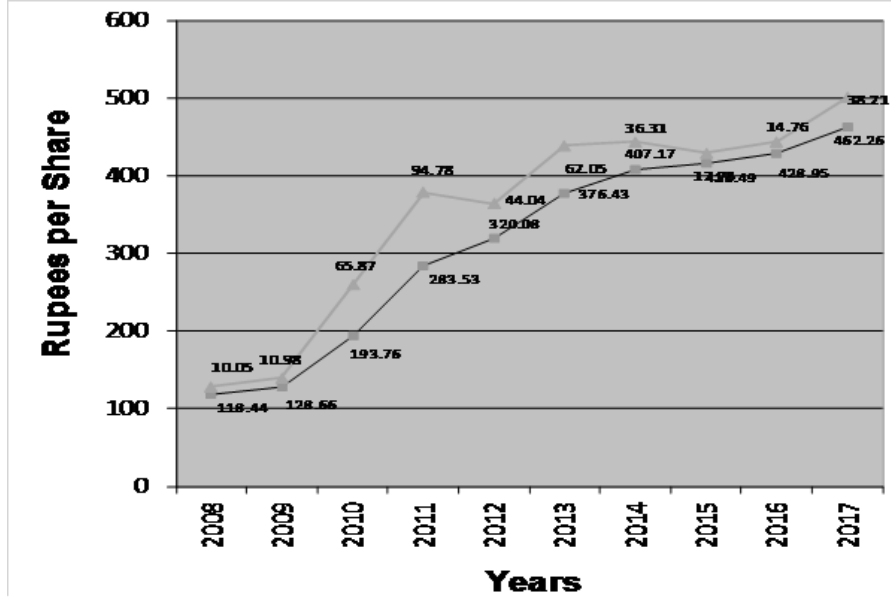
کمپنی 2017 سال 2016 کے مقابلے ختم ہو گیا جبکہ منافع 94.938 لاکھ سے تھی سال کے لئے 245.796 ملین روپے کا منافع کمایا۔

حصہ نصیب

کمپنی کے منافع کے طور پر فروخت گلاب 3.05% کے لئے ٹیکس سال 1.39 (2016: 153.00% مستحب: 2106) روپے 5 فی شیئر، (50% شارٹی ہولڈرز جو اجلاس میں منظوری کے تحت 27 کو کی میقات بندی نہیں ہے اکتوبر 2017)۔

فی شیئرز اور بریک اپ قدر آمدنی

فی شیئرز سال کے لیے کمائی اختتام 30 جون 2017 'روپے' 14.76 اسی طرح، رجیم قدر فی شیئرز سال 30 جون کو ختم ہونے پر اسے جہاں کھڑا ہوا تھا 38.21 سال 30 جون 2016 'مقابلے 2017 'سال 30 جون 2016 'مقابلے روپے 462.26 ہے جہاں یہ روپے 428.95 پر کھڑے تھے۔



کاشفلو کا انتظام

حقیقت یہ ہے کہ نقدی کی ہے پہچان کی طرف سے کسی بھی تنظیم کی کمپنی کے لئے ایک زندگی کے خون پر چوکس نظر دونوں انفلوس اور اوٹفلوس اور مستقل بنیاد پر رکھتا ہے۔

قرضدار اور مستقبل وعدے قریبی نگرانی کی جاتی ہے اور کافی فنڈ رکھی ہیں جو کمپنی کے شار ایبولڈرز کے لئے زیادہ سے زیادہ فائدہ پیدا کرتا ہے۔

کمپنی (2016:795.722) 2017 لاکھ (دارالحکومت کے اخراجات کی طرف میں 804.893 ملین روپے کی زیادہ سے زیادہ کارکردگی کے حصول کے لئے سرمایہ کاری ہے اور اس صنعت

میں تشریح کی برتری برقرار

انچارج طویل مدتی قرض کے باعث 254.009 لاکھ روپے کی رقم کی گئی اس سال کے دوران 2017 جبکہ 31.657 روپے منافع کی طرف شار ایبولڈرز کو دی جاتی ہے۔

مالی کے بیانات

حقیقت یہ ہے کہ نقدی کی ہے پہچان کی طرف سے کسی بھی تنظیم کی کمپنی کے لئے ایک زندگی کے خون پر چوکس نظر دونوں پر انفلوس اور اوٹفلوس اور مستقل بنیاد پر رکھتا ہے۔

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میں 254.009 ملین روپے کے لئے طویل مدتی قرض باعث انچارج کرایہ اور دوبارہ قسط دینے کو برقرار رکھنے 31.657 روپے منافع کی طرف شار ایبولڈرز کو دی جاتی ہے جبکہ سال کے دوران

2017 میں بنایا گیا ہے۔

## مالی کے بیانات

لسٹنگ کے تحت مطلوبہ بطور ضوابط اسٹاک کے چانگاس چیف ایگزیکٹو آفیسر اور چیف مالی افسر پیش مالی بیانات کو کما حقہ ان متعلقہ دستخط، غور اور بورڈ آف ڈائریکٹرز کی منظوری کے لئے زیر حمایت اور بورڈ، غور اور منظوری کے بعد اجازت دینا مالی بیانات کے اجراء اور گردش کے لئے دستخط۔

کمپنی کے مالی بیانات کما حقہ کمپنی، رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکائونٹنٹس کی کارکردگیوں کی آڈٹ کیا گیا ہے اور کارکردگیوں پاک آڈٹ رپورٹ پر سال ختم ہونے کے 30th جون کے لئے مالی بیانات جاری ہیں 2017 اور صاف بیان کے کوڈ کے کارپوریت گورننس پر رپورٹ کا جائزہ لیں۔ یہ رپورٹیں مالی بیانات کے ساتھ منسلک ہیں۔

کپاس تجربہ کہ قیمتوں میں حالیہ گرنے رحمان برقرار رہتا ہے تو، گرووار بری طرح بتلا کرے گا اور یہاں گے کپاس کی فصل پر منفی اثر پڑے گا ایک بڑھتی ہوئی تشویش ہے۔

کپاس قیمتیں جو روپے۔ 6,700، پنجاب کے معیار کے لئے اور روپے 6,400 مختلف ہیں اب ہونے کے حوالے سے روپے۔ پر 6,250 روپے ہے۔ پنجاب کے لئے 6,350 اور روپے 6100 روپے۔ 6200 سندھ، کے لئے کے لئے بالترتیب سندھ کے لئے پر موسم کے آغاز پر کے حوالے سے کیا جا رہا تھا۔

(بہنوٹا) بیج کپاس کی آمد کی اعلیٰ اور معیار صوف کی، بہتر دستیابی مزید کپاس کی قیمتیں کم آنے والے مہینوں میں دھکیل دیا۔ اس کے نتیجے میں، کے آخری چار سیشن کے دوران، صوف قیمتیں ایک سقوط روپے ریکارڈ۔ 500 فی ڈالیا اہم بازاروں کی دنیا میں بھی امریکی تقریباً 1.5 بلین مزید بیلز اس موسم کی پیداوار ہوگا اور ایک اختتامی اسٹاک 1.4 بلین بیلز گزشتہ فصل سے کی ہے کہ رپورٹ پر دبا کے تحت رہا۔ تاہم بھارتی کپاس کی قیمتوں حالیہ بارشوں سے فصل کو پینچنے والے نقصان کی اطلاعات پر مستحکم تھی۔

کراچی کاٹن ایسوسی ایشن (KCA) نیچی کی طرف سے روپے۔ 50 Rs.6,200 کے لئے اس جگہ شرح چنگیر فی نظر ثانی

آٹ لک پاکستان ٹیکسٹائل کے شعبے میں پاکستان میں ٹیکسٹائل کی صنعت کی معیشت، 57 فیصد ملک کی برآمدات کے لیے اپنا کردار ادا پر غالب اثر ہے۔ آج کی انتہائی عالمی ماحول میں ٹیکسٹائل سیکٹور کی ضرورت ہے اس کی فراہمی کا سلسلہ، اپ گریڈ کرنے پیداواری صلاحیت کو بہتر بنانے، اور قدر-زندہ رہنے کے لئے کے قابل ہو جانے کرنے کے علاوہ زیادہ سے زیادہ ہے۔

ارٹھی صنعت بجلی کی فراہمی میں تعطل ہیں اور گیس کی قیمت میں اضافہ لکھنا گادک کی کرلو اور دیگر ٹیرف کے گیس پر ہے۔ پاکستان کی برآمدات میں یہ سب سے بڑا شعبہ ٹیکسٹائل تسلیم کرتے اور ملک ایک ایسے وقت جب دونوں ہمارے مجموعی طور پر برآمدات اور ٹیکسٹائل کی برآمدات سے زیادہ 3 سال کے لئے اب رو بہ زوال ہے ایک سنگین کرنٹ اکاؤنٹ خسارے کو صورت حال کا سامنا کرنا پڑتا ہے۔

آگے بڑھنے کے تجربہ کاروں کا مطالبہ طرف نوکرشاہی کمزور چینی کی مانگ کے ساتھ، معاشی رفتار میں بریٹ اور کم نرخوں کے بعد یورپی یونین کی وجہ سے دبا زیادہ تر رہنے میں ٹیکسٹائل برآمدات توقع ہے۔

تاہم، پاکستان ذاتی فائدہ سب سے بڑا 4th پروڈیوسر کپاس کی فصل کی پیداوار کو آگے بڑھانے کے لئے ایک بڑی صلاحیت کے ساتھ دنیا میں کی جا رہی ہے۔ کسی بھی برآمد کی قیادت کی صنعت کی کامیابی کے لیے، بنیادی خام مال کی مقامی دستیابی ایک شامل کی فائدہ ہونے کی وجہ سے کاروبار کی قیمت کو کم کرنے میں ایک اہم عنصر کے طور پر سمجھا جاتا ہے۔

## کاروباری سماجی ذمہ داری کی پالیسی

کمپنی سماجی، فلاحی یا جو اس کی کاروباری حکمت عملی کے ساتھ اتحاد میں ہیں یا وسیع تر فائدہ ہوگا جو کمیونٹی کے مفادات کے کمیونٹی ڈویلپمنٹ پروگرام شروع کرے گا۔

## صحت، سیفٹی اور ماحولیات کی پالیسی

کمپنی ماحول کی صحت کے لئے اپنے ملازمین کی حفاظت کی اور حفاظت کے لیے عزم اور مسلسل بہتری آئی ہے۔ یہ مکتب صارفین، ٹھیکیداروں، سپلائرز اور جس میں اس پالیسی پر عمل پیرا یہ کمیونٹی اس وعدے کے اپیلی کیشن میں یقین رکھتا ہے۔

## خطرہ اور آئندہ چیلنجز

ٹیکسٹائل سمیت، میں بجد عالمی مقابلے میں اضافے کو دیکھ معیشتوں والے کو یقین ہے کہ امریکہ جیسے ترقی یافتہ جیکہ اس شعبے و بانگ ملازمت میں انتہائی اہمیت رکھتا ہے اور کم قیمت) یا کم دار الحکومت تعین (معیشت میں برآمد



مثال کے طور پر، ریاست ہائے متحدہ امریکہ) یہ سستی توانائی اور بجلی کی فراہمی اور دوستانہ لیبر اصلاحات لانے کی طرف سے امریکی ٹیکسٹائل انڈسٹری اکیا کے لیے امریکہ میں (اصل اوبامہ حکومت کی طرف سے شروع کی ترغیب پرنی ٹیکسٹائل پالیسی فریم ورک، اب کے لئے لیا جا رہا ہوا گلے کہ باڑوں کو ان کے خلاف بیک وقت جبکہ سستے درآمدات میں مدد ملتی ہے انہیں اپنی مصنوعات زیادہ مسابقتی بنانے میں جہاں یہ ہمیں ٹیکسٹائل مینوفیکچررز ایک سلامتی کی سطح سے فصل اور صنعتی تحفظ فراہم کرنے کا منصوبہ ٹرمپ انتظامیہ کی طرف سے درجہ عالمی سطح پر ہے۔

کارپوریٹ سیلف گورننس کے کوڈ کے ساتھ تعمیل  
کارپوریٹ گورننس کے کوڈ کے ساتھ تعمیل کے بیان کو شامل کر لیا ہے۔

کارپوریٹ اور مالی رپورٹنگ کے فریم ورک پر بیان  
☆ آپ کی کمپنی کے ڈائریکٹرز کوڈ کے کارپوریٹ پاکستان کے اسٹاک ایکسچینج لمیٹڈ نے تمہارے 8 ایکسچینج کمیشن آف پاکستان سے ہدایات کے تحت کی فہرست قواعد میں شامل کر لیا اسلوب حکمرانی کے تحت اپنی ذمہ داریوں سے آگاہ ہیں۔ ضابطہ کی تعمیل کا ایک حصہ کے طور پر، ہم مندرجہ ذیل کی تصدیق:  
☆ ان مالی بیانات تیار کمپنی، موجودہ کے انتظام کی طرف سے کافی اس ریاست کے معاملات، آپریشن، نقد کا بہا اور مساوات میں تبدیلیوں کا نتیجہ ہے۔  
☆ کمپنی کے اکاؤنٹ کی صحیح کتابوں کو برقرار رکھا گیا ہے۔

☆ اکاؤنٹنگ کی مناسب پالیسیوں مسلسل مالی بیانات کی تیاری میں لگائے گئے ہیں اور اکاؤنٹنگ اندازوں کے مطابق معقول اور محتاط عدالت پر مبنی ہوتے ہیں۔  
☆ بین الاقوامی مالیاتی رپورٹنگ کے معیار، پاکستان میں قابل اطلاق کے طور پر مالی کے بیانات کی تیاری میں پیروی ہے۔  
☆ اندرونی کنٹرول کے نظام ڈیزائن میں آواز تھی اور ہے گئی مضطرب لیتے سے نافذ اور نگرانی کی جاتی ہے۔  
☆ کمپنی کے ایک مسلسل تشویش کے طور پر جاری کرنے کی صلاحیت پر کوئی اہم شکوک و شبہات تھے۔  
☆ کوئی مادی روانگی لسٹنگ ریگولیشنز میں تفصیلی طور پر کارپوریٹ گورننس کے بہترین طور طریقوں سے رہا ہے۔  
☆ ہم تیار کر سکتے ہیں اور ایک ضابطہ اخلاق کے ذریعے اور ڈائریکٹرز اور ملازمین کے درمیان تجارتی حکمت عملی میں تقسیم کیا ہے۔  
☆ بورڈ آف ڈائریکٹرز ایک وزن اور مشن کے بیان اور مجموعی طور پر کاروباری حکمت عملی کا ایک بیان اختیار کیا ہے۔  
☆ کارپوریٹ گورننس کے کوڈ کے تحت اسٹینڈی کی کسوٹی تین ڈائریکٹرز سے ملاقات کی جبکہ پانچ ڈائریکٹرز کمپنی کے پہلے ہی ڈائریکٹرز کے تربیتی پروگرام (DTP) مکمل کر لیا تھا۔ DTP اکتوبر میں 2017 کی میقات بندی ملاقات ڈائریکٹر جناب محمد جو۔ 31 جنوری 2017- ریٹائرڈ ٹیکسٹائل کی جگہ جناب حمزہ بٹیکل نے حال ہی میں ہے۔  
☆ اس کمپنی کے تمام ڈائریکٹرز کوڈ کے کارپوریٹ گورننس حق میں ڈائریکٹرز کے تربیتی پروگرام (DTP) کی تعمیل میں تھے۔  
☆ ضرورت کے طور پر کوڈ کے کارپوریٹ گورننس کی طرف سے، ہم مندرجہ ذیل معلومات اس رپورٹ میں شامل ہیں:

☆ اے شار یہولڈنگ کے رجحان کا بیان الگ الگ دی گئی ہے۔  
☆ اے حصص کا بیان سے وابستہ عزائم کی طرف سے منعقد کیا اور افراد سے متعلق ہے۔  
☆ اے سال اور حاضری کے دوران ہر ڈائریکٹر کی طرف سے منعقد بورڈ کے اجلاسوں کا بیان الگ الگ دی گئی ہے۔  
☆ کلیدی سرگرم اور مالیاتی اعداد و شمار کے لئے آخری چھ سال کی معلومات ٹیکس اور لیویز کے بارے میں پورے طور پر مقبوضہ آڈٹ شدہ مالی بیانات میں انکشاف کیا گیا تھا۔  
☆ کوئی ٹریڈنگ کمپنی کے حصص میں اپنی ڈائریکٹرز، سی ای او، کف، کمپنی سیکرٹری، اندرونی آڈٹ کے سربراہ اور ان میاں بیوی اور سوائے معمولی بچوں کی طرف سے شار یہولڈنگ کے اسلوب میں انکشاف کیا ہے کے طور پر کیا گیا ہے۔

مالی رپورٹنگ عمل، آڈٹ عمل، نظام کی اندرونی کنٹرول اور قوانین اور ضوابط کی تعمیل کی نگرانی فراہم کرنے کے لئے ایک آڈٹ کمیٹی کا بنیادی مقصد ہے۔ کمیٹی نے آڈٹ مینجمنٹ اور کارپوریٹ گورننس کے کوڈ کی ضرورت کے طور پر کمیٹی کو مطلع کیا کرنے کے لئے ضروری معاملات سمیت بیرونی کارکردگیوں کے ساتھ کے نتائج کا جائزہ۔

کمیٹی نے آڈٹ کوغیبت اور ہر سطح پر اندرونی کنٹرول پر عمل درآمد کا جائزہ کے لئے مضبوط اندرونی آڈٹ نظام قائم کیا ہے۔ آڈٹ کمیٹی کے اجلاس میں باقاعدہ وقفوں کے ساتھ کارپوریٹ گورننس کے ضابطہ اخلاق کے تقاضوں کی تعمیل میں منعقد ہوئیں۔ عبوری اور سالانہ مالی گوشوارے آڈٹ کمیٹی کی منظوری کے بورڈ آف ڈائریکٹرز سے پہلے جائزہ لیا گیا۔

بورڈ اور آڈٹ کمیٹی اجلاس

17-2016 سال کے دوران منعقد بورڈ اور آڈٹ کمیٹی کی ملاقاتوں کی تعداد چار تھی۔ ہدایت کار اور ارکان کی حاضری کچھ اس طرح ہیں:

کمیٹیاں						
مشاہیرہ		بورڈ آف ڈائریکٹرز		آڈٹ		افراد قوت اور
ڈائریکٹر کا نام	شرکت کے اہل	شریک	شرکت کے اہل	شریک	شرکت کے اہل	شریک
جناب محمد سلیم	4	4	-	-	-	-
جناب محمد شریف	4	4	-	-	-	-
جناب محمد شاہین	4	4	-	-	-	-
جناب محمد ثکبیل	2	2	-	-	2	2
جناب کھر رم سلیم	4	4	4	4	2	2
جناب یال شریف	4	4	4	4	-	-
جناب محمد امین	4	4	-	-	-	-
جناب عادل ثکبیل	4	4	-	-	2	2
جناب حمزہ ثکبیل	2	2	-	-	-	-
جناب اقبال محبوب	4	4	4	4	-	-

شاریہ ہولڈنگ کا نمونہ

شاریہ ہولڈنگ اور شاریہ ہولڈنگ کے اسلوب کے بارے میں اضافی معلومات کا نمونہ علیحدہ علیحدہ سے منسلک ہے۔

کارکردگیوں

موجودہ کارکردگیوں ہٹھگ یف ریبولک رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکائونٹنٹس کی سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو گئے۔ اہل جا رہے، وہ اپنے آپ کو دوبارہ ملاقات کے لئے پیش کر رہے ہیں۔ کمیٹی نے آڈٹ کی مذکورہ بالا ہٹھگ یف ریبولک رحمان سرفراز رحیم اقبال رفیق، تقرری چارٹرڈ اکائونٹنٹس، بیرونی آڈیٹر سال 30 جون سیڈنی کے خاتمے کے لئے کے طور پر تجویز دی۔ خارجی کارکردگیوں، ہٹھگ یف ریبولک رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکائونٹنٹس تسلی بخش درجہ بندی نے انسٹی ٹیوٹ کی چارٹرڈ اکائونٹنٹس آف پاکستان کے معیار کا جائزہ پروگرام کے تحت دی گئی ہے اور میں فرم اور اس کے ساتھی ہیں۔ کوڈ کے انسٹی ٹیوٹ آف چارٹرڈ اکائونٹنٹس کے پاکستان کی طرف سے اپنا پاس اخلاقیات پر بین الاقوامی فیڈریشن کے اکائونٹنٹس کی ہدایت۔ بورڈ آف ڈائریکٹرز بھی ہٹھگ یف ریبولک رحمان سرفراز رحیم اقبال رفیق، تقرری چارٹرڈ اکائونٹنٹس، بیرونی آڈیٹر سال 30 جون سیڈنی کے خاتمے کے لئے کے طور پر سفارش کی گئی ہے۔

مواد میں تبدیلیاں اور وعدے

کوئی مواد میں تبدیلیاں اور کمپنی کی مالی پوزیشن کو متاثر کرنے والے وعدوں کو کمپنی کی طرف سے مالی سال کے اختتام کے درمیان واقع ہوا ہے جو ہینلس شیٹ سے متعلق اور ڈائریکٹرز کی رپورٹ کی رپورٹ کی تاریخ ہے۔

اکائنگ کے معیارات

کمپنی کے اکائنگ پالیسیاں مکمل طور پر کمپنیوں آرڈیننس 1984 کی ضروریات کی عکاسی ہوتی ہے اور اس طرح بین الاقوامی حساب کتاب معیارات اور بین الاقوامی مالیاتی رپورٹنگ کے معیار اس آرڈیننس کے تحت مطلع کیا گیا ہے کے طور پر منظور دے دی اسی طرح سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ ہدایات کے ذریعے۔

انسانی وسائل اور صلہ کمیٹی

آواز اور ملازمین کے ترقیاتی پروگرام انسانی وسائل اور صلہ کمیٹی قائم کی ہے۔ انسانی وسائل دو اہم علاقوں پر توجہ مرکوز: پیداواری صلاحیت / کارکردگی میں کمپنی انڈسٹری کا ہماری افرادی قوت کے معیار کو بہتر بنانا ہے۔ تجربہ کار اور تعلیم یافتہ انسانی چیلنجوں کو پورا کرنے کے لئے وسائل کمپنی میں ملازم ہے۔ کمپنی بھی کرنے کا ارادہ رکھتی اپنی ٹیم کو مضبوط بنانے، تنظیم کے ڈھانچے اور تاثیر میں مزید کرنے کے طریقوں کو مضبوط ملازم کارکردگی کے اس جائزے کو استعمال کریں۔

بھرپائی

میں بورڈ آف ڈائریکٹرز، قابل قدر شریہولڈرز، گاہکوں، بینکاروں، سپلائرز اور دیگر اسٹیک ہولڈرز کے لئے اپنی حمایت، اعتبار اور اعتماد انتہائی مقروض ہوں۔ میں بھی ان کی وفاداری لگن اور سخت محنت جو کمپنی اپنے مقاصد کے حصول کے لئے اہل کے لئے تمام ملازمین کی تعریف۔

بحکم بورڈ

محمد امین

چیف ایگزیکٹو

کراچی 27 ستمبر 2017ء



# 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 30<sup>th</sup> Annual General Meeting of the Company to be held on  
Friday October 27th, 2017 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 # \_\_\_\_\_

Affix  
Rs. 5/-  
Revenue  
Stamp

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

### 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

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Fax No. : 021 - 35063002 - 3

E-mail : [khioff@umergroup.com](mailto:khioff@umergroup.com)

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