



of Companies

**THIRD QUARTERLY ACCOUNTS
2019-2020
(UN - AUDITED)**

UMER GROUP OF COMPANIES

BLESSED TEXTILES LIMITED

VISION

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



MISION STATEMENT

To become a top quality manufacturer of textile products in the local & international markets.

Directors' Review

On behalf of the board of directors of Blessed Textiles Limited, I am presenting the unaudited condensed interim financial statements for the nine months ended March 31, 2020

Significant Financial Performance Nine Months ended March 31, 2020;

Profit after tax nine months ended March 31, 2020 is PKR 362.387 million as compared to PKR 357.222 million for the corresponding period ended March 31, 2019.

Earnings per share nine months ended March 31, 2020 is PKR 56.34 (March 2019: PKR 55.54).

Break-up value of the share as on March 31, 2020 is PKR 596.95 (June 2019: PKR 583.81).

The current ratio for nine months ended March 31, 2020 is 1.71 (June 30, 2019: 1.67).

Outlook for Textile Sector

Although the government within its limited economic resources has taken some measure to provide some sort of relief to the industries facing the pandemic but the global impact is so significant that even the most developed economies of the world finding it extremely difficult to deal with the situation.

In these circumstance we suggest the government to take drastic measures to save export oriented textile industry from the negative economic impact of Novel Coronavirus (COVID-19) as it has caused turmoil in the world's second-largest economy, China, with a trickle-down effect on almost all large economies including those of the European Union, United States, Japan and South Korea and Pakistan is no exception to this.

In order to sustain during the pandemic situation, we suggest instant steps shall be taken by the government to address the major issues of the industry and exporters specially the liquidity problem else measures taken by them for reduction in current account deficit would go in vain. The release of the backlog of income tax / sales tax refunds including deferred sales tax refund and payment of outstanding DDTO/DLTL as this is the money that belongs to the business and should speedily be returned to help uninterrupted operation of the industry enabling to sustain employment and exports.

Besides, most importantly the government should immediately provide a substantial relief to the textile industry by reduction in electric and gas tariff as the crude oil price has declined massively in global market owing to the battle between the two giants of oil market where demand has gone down sharply in the wake of coronavirus outbreak that has caused lockdowns in many countries.

Acknowledgement

The board highly appreciates the contribution of employees, bankers and all the stakeholders who working remotely along with immense support of our corporate regulators for creation of digital transformation environment for the regulatees during this pandemic situation.

Kindly maintain social distancing and stay safe.

On behalf of the Board



Mohammad Amin

(Chief Executive)


Karachi: April 28, 2020

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020

	Note	March 31, 2020	June 30, 2019
		Rupees	Rupees
		(Un-audited)	(Audited)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
6,500,000 (June 30, 2019: 6,500,000) ordinary shares of Rs. 10 each		65,000,000	65,000,000
Issued, subscribed and paid-up capital		64,320,000	64,320,000
General reserve		3,500,000,000	3,500,000,000
Accumulated profit		275,293,501	190,768,762
TOTAL EQUITY		3,839,613,501	3,755,088,762
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term finances		1,654,323,073	1,600,161,851
Long term payables	6	250,287,258	226,379,287
Employees retirement benefits		125,029,874	118,103,558
Deferred taxation		243,408,108	243,408,108
		2,273,048,313	2,188,052,804
CURRENT LIABILITIES			
Trade and other payables		510,494,368	544,232,849
Dividend payable		150,508,800	-
Unclaimed dividend		5,798,162	5,053,216
Accrued interest/markup		53,672,854	75,540,323
Short term borrowings		2,140,718,957	2,190,946,621
Current portion of non-current liabilities		308,925,969	369,637,092
		3,170,119,110	3,185,410,101
TOTAL LIABILITIES		5,443,167,423	5,373,462,905
CONTINGENCIES AND COMMITMENTS	7	-	-
TOTAL EQUITY AND LIABILITIES		9,282,780,924	9,128,551,667

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


CHIEF EXECUTIVE
Karachi : April 28, 2020


DIRECTOR


CHIEF FINANCIAL OFFICER

BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020

	Note	March 31, 2020	June 30, 2019
		Rupees	Rupees
		(Un-audited)	(Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,856,545,690	3,781,059,749
Long term deposits		14,394,095	14,394,095
		3,870,939,785	3,795,453,844
CURRENT ASSETS			
Stores, spares and loose tools		102,951,507	93,566,497
Stock in trade		3,727,456,725	3,245,348,436
Trade debts		650,758,959	971,214,665
Advances, deposits, prepayments and other receivables		208,994,003	149,907,892
Sales tax refundable		129,386,843	215,340,953
Advance income tax		368,059,078	355,547,385
Cash and bank balances		224,234,024	302,171,995
		5,411,841,139	5,333,097,823
TOTAL ASSETS		9,282,780,924	9,128,551,667

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



CHIEF EXECUTIVE
Karachi : April 28,2020



DIRECTOR




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BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2020

	Note	Nine months ended		Three months ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		Rupees	Rupees	Rupees	Rupees
Sales - net		9,327,518,522	8,769,233,769	2,910,075,682	3,152,080,374
Cost of sales		8,322,297,524	7,749,788,809	2,663,445,328	2,758,985,497
Gross profit		1,005,220,998	1,019,444,960	246,630,354	393,094,877
Distribution cost		175,021,135	169,139,224	59,023,700	63,810,102
Administrative expenses		114,599,569	96,283,028	39,594,251	34,185,437
		289,620,704	265,422,252	98,617,951	97,995,539
Other income		715,600,294	754,022,708	148,012,403	295,099,338
		6,910,580	4,408,365	3,682,994	1,830,480
Operating profit		722,510,874	758,431,073	151,695,397	296,929,818
Finance cost		208,037,505	265,837,860	67,590,584	97,707,225
Other expenses		34,645,253	33,959,281	6,314,145	13,672,137
		242,682,758	299,797,141	73,904,729	111,379,362
Profit before taxation		479,828,116	458,633,932	77,790,668	185,550,456
Provision for taxation	9	117,440,927	101,412,350	36,958,201	36,222,863
Profit after taxation		362,387,189	357,221,582	40,832,467	149,327,593
Earnings per share - basic and diluted		56.34	55.54	6.35	23.22

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


CHIEF EXECUTIVE
Karachi : April 28,2020


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BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2020

	Nine months ended		Three months ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Profit after taxation	362,387,189	357,221,582	40,832,467	149,327,593
Other comprehensive income	-	-	-	-
Total comprehensive income	362,387,189	357,221,582	40,832,467	149,327,593

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



CHIEF EXECUTIVE
Karachi : April 28,2020



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BLESSED TEXTILES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2020

	Share capital	Revenue reserves		Total equity
	Issued	General reserve	Accumulated profit	
	subscribed and paid-up capital			
	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2018 - Audited	64,320,000	3,000,000,000	187,484,648	3,251,804,648
Comprehensive income				
Profit after taxation	-	-	357,221,582	357,221,582
Other comprehensive income	-	-	-	-
	-	-	357,221,582	357,221,582
Transaction with owners				
Final dividend @ 230% i.e. Rs. 23.00 per ordinary share	-	-	(147,936,000)	(147,936,000)
Balance as at March 31, 2019 - Un-audited	64,320,000	3,000,000,000	396,770,230	3,461,090,230
Balance as at April 01, 2019 - Un-audited	64,320,000	3,000,000,000	396,770,230	3,461,090,230
Comprehensive income				
Profit after taxation	-	-	278,203,191	278,203,191
Other comprehensive income	-	-	15,795,341	15,795,341
Total comprehensive income	-	-	293,998,532	293,998,532
Transaction with owners				
Profit transferred to general reserve	-	500,000,000	(500,000,000)	-
Balance as at June 30, 2019 - Audited	64,320,000	3,500,000,000	190,768,762	3,755,088,762
Balance as at July 01, 2019 - Audited	64,320,000	3,500,000,000	190,768,762	3,755,088,762
Comprehensive income				
Profit after taxation	-	-	362,387,189	362,387,189
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	362,387,189	362,387,189
Transaction with owners				
Final dividend @ 198% i.e. Rs. 19.80 per ordinary share	-	-	(127,353,650)	(127,353,650)
Interim dividend @ 234% i.e. Rs. 23.40 per ordinary share	-	-	(150,508,800)	(150,508,800)
Balance as at March 31, 2020 - Un-Audited	64,320,000	3,500,000,000	275,293,501	3,839,613,501

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


CHIEF EXECUTIVE
Karachi : April 28, 2020


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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2020

	Nine months ended	
	March 31, 2020	March 31, 2019
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	479,828,116	458,633,932
Adjustments for non-cash and other items		
Finance cost	208,037,505	265,837,860
(Gain)/loss on disposal of property, plant and equipment	(300,897)	3,945
Provision for employees retirement benefits	28,800,000	27,630,000
Depreciation	287,400,000	274,719,000
	523,936,608	568,190,805
Operating profit before changes in working capital	1,003,764,724	1,026,824,737
Changes in working capital		
Stores, spares and loose tools	(9,385,010)	(21,997,691)
Stock in trade	(482,108,289)	553,309,984
Trade debts	320,455,706	20,502,427
Advances, deposits, prepayments and other receivables	(59,086,111)	(3,981,115)
Sales tax refundable	85,954,110	(13,598,840)
Trade and other payables	(33,738,481)	(71,248,570)
Long term payables	23,907,971	28,523,964
	(154,000,104)	491,510,159
Net cash generated from operations	849,764,620	1,518,334,896
Payments for:		
Employees retirement benefits	(21,873,684)	(22,114,881)
Interest/markup/profit	(229,904,974)	(259,394,328)
Income tax	(129,952,620)	(110,682,146)
Net cash generated from operating activities	468,033,342	1,126,143,541
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(363,264,044)	(526,221,017)
Proceeds from disposal of property, plant and equipment	679,000	10,607,000
Long term deposit	-	(250,000)
Net cash used in investing activities	(362,585,044)	(515,864,017)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances obtained	283,444,000	413,075,283
Repayment of long term finances	(289,993,901)	(214,356,932)
Net decrease in short term borrowings	(50,227,664)	(594,665,953)
Dividend paid	(126,608,704)	(146,768,131)
Net cash used in financing activities	(183,386,269)	(542,715,733)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(77,937,971)	67,563,791
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	302,171,995	139,827,966
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	224,234,024	207,391,757

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


CHIEF EXECUTIVE

Karachi : April 28,2020


DIRECTOR


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BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2020

1 LEGAL STATUS AND OPERATIONS

Blessed Textiles Limited [the Company] was incorporated in Pakistan as a Public Limited Company under the repealed Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. The Company is primarily engaged in the manufacture and sale of yarn and woven fabric, however, it is also engaged in the generation of electricity for self consumption. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The manufacturing facility is located at 18 KM, Feroze Wattooan, Sheikhpura Road, District Sheikhpura in the Province of Punjab.

2 BASIS OF PREPARATION

The interim financial statements are un-audited and has been presented in condensed form and do not include all the information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2019.

This interim financial statements have been subjected to limited scope review by the auditors of the company, as required by the Companies Act, 2017 under section 237. The comparative condensed interim statement of financial position as at June 30, 2019 and the related notes to the interim financial statements are based on audited financial statements. The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and related notes to the condensed interim financial statements for the nine month period ended March 31, 2019 are based on unaudited, reviewed interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended March 31, 2020 and March 31, 2019 are neither audited nor reviewed.

2.1 Statement of compliance

These interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprises of:

- International Accounting Standard 34 - Interim Financial Reporting, issued by International Accounting Standards Board [IASB] as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

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

2.3 Judgments, estimates and assumptions

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.4 Functional currency

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

2.5 Date of authorisation for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on April 28, 2020.

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

The following new and revised standards, interpretations and amendments are effective in the current period but are either not

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2020

relevant to the Company or their application does not have any material impact on the interim financial statements of the Company other than presentation and disclosures.

3.1 IFRS 16 - Leases (2016)

IFRS 16 - Leases (2016) specifies how an IFRS reporter 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 lease term is 12 months or less and the underlying asset is of low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

3.2 IFRIC 23 - Uncertainty over Income Tax Treatments

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively
- Assumptions for taxation authorities' examinations
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- The effect of changes in facts and circumstances

3.3 Applying IFRS 9 - Financial Instruments with IFRS 4 - Insurance Contracts (Amendments to IFRS 4 - Insurance Contracts)

IFRS 4 Insurance Contracts have been amended to provide two options for entities that issue insurance contracts within the scope of IFRS 4:

- an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;
- an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

3.4 Prepayment Features with Negative Compensation (Amendments to IFRS 9 - Financial Instruments)

IFRS 9 - Financial Instruments have been amended regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

3.5 Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28 - Investments in Associates and Joint Ventures)

IAS 28 - Investments in Associates and Joint Ventures have been amended to clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

3.6 Annual Improvements to IFRS Standards 2015 – 2017 Cycle

The annual improvements have made amendments to the following standards:

- **IFRS 3 - Business Combinations and IFRS 11 - Joint Arrangements** - The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- **IAS 12 - Income Taxes** - The amendments clarify that the requirements in the former paragraph 52B (to recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognized) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.
- **IAS 23 - Borrowing Costs** - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

3.7 Plan Amendment, Curtailment or Settlement (Amendments to IAS 19 - Employee Benefits)

The amendments in Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) are:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2020

- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

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

	Effective date (annual periods beginning on or after)
IFRS 17 - Insurance contracts (2017)	January 01, 2021
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Definition of a Business (Amendments to IFRS 3 - Business Combinations)	January 01, 2020
Definition of Material (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)	January 01, 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures)	January 01, 2020
Other than afore-mentioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ['SECP']:	
IFRS 1 - First Time Adoption of International Financial Reporting Standards	
IFRS 14 - Regulatory Deferral Accounts	
IFRS 17 – Insurance contracts (2017)	

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the Company's financial statements other than in presentation/disclosures.

5 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2019.

	Note	March 31, 2020	June 30, 2019
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
6 LONG TERM PAYABLES			
These include the following:			
Infrastructure Cess	6.1	122,113,719	98,205,748
Gas Infrastructure Development Cess	6.2	128,173,539	128,173,539
		250,287,258	226,379,287

6.1 Infrastructure tax

Sindh Infrastructure Cess was levied by Excise and Taxation Officer ['ETO'] Government of Sindh on movement of imported goods entering the Sindh Province from outside Pakistan and Punjab Infrastructure Tax levied by ETO Government of Punjab on movement of imported goods entering the Punjab Province from outside Pakistan. The Company has obtained stay on the recovery of these levies by respective ETOs. During the pendency of final judgement on this, the Honorable Courts granting stay have directed the petitioners to pay 50% of liability for levies to ETOs and to arrange bank gaurantees for the remaining amount in favour of ETOs. The liability represents 50% of levies against which guarantees have been arranged in favour of ETO.

6.2 Gas Infrastructure Development Cess

Gas Infrastructure Development Cess ['GIDC'] was levied by Sui Northern Gas Pipelines Limited ['SNGPL'] and Sui Southern Gas Pipelines Limited ['SSGCL']. The Company and others have filed a suit before the Lahore High Court ['LHC'] and Sindh High Court

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2020

['SHC'] challenging the levy. The LHC & SHC have granted the stay in favour of the Company and directed SNGPL and SSGC to avoid collection of GIDC. The liability represents amount of GIDC payable against which the Company has obtained stay order.

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 Bills discounted/negotiated as at the reporting date amount to Rs. 265.530 million (June 30, 2019: Rs. 1,233.61 million).

7.1.2 There is no significant change in the status of remaining contingencies since June 30, 2019.

7.2 Commitments

	Note	March 31, 2020	June 30, 2019
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-audited)</i>	<i>(Audited)</i>
7.2.1	Commitments under irrevocable letters of credit:	4,339,013,809	389,012,535

8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1	3,458,905,452	3,744,096,165
Capital work in progress		397,640,238	36,963,584
		3,856,545,690	3,781,059,749

8.1 Operating fixed assets

Net book value at the beginning of the period/year		3,744,096,165	3,592,585,178
Additions during the period/year			
Freehold land		-	-
Factory buildings		-	33,375,046
Plant and machinery		-	474,996,171
Equipment and other assets		-	4,925,397
Electric installation		-	12,961,169
Furniture and fixtures		-	732,810
Office equipments		-	2,200,000
Vehicles		2,587,390	15,754,569
		2,587,390	544,945,162
Net book value of assets disposed during the period/year		(378,103)	(18,747,479)
Depreciation for the period/year		(287,400,000)	(374,686,696)
Net book value at the end of the period/year		3,458,905,452	3,744,096,165

		Nine Months		Quarter ended	
	Note	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>

9 PROVISION FOR TAXATION

Current taxation	9.1	117,440,927	101,412,350	36,958,201	36,222,863
Deferred taxation	9.2	-	-	-	-
		117,440,927	101,412,350	36,958,201	36,222,863

9.1 Provision for current tax has been in accordance with the requirements of section 113 and 169 of the Income Tax Ordinance, 2001.

9.2 No provision for deferred tax has been made as the impact of the same is considered immaterial.

10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

BLESSED TEXTILES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2020

directly or indirectly, and includes the Chief Executive and Directors of the Company. The details of Company's related parties, with whom the Company had transactions during the period or has balances outstanding as at the reporting date are as follows:

Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding in the Company
Faisal Spinning Mills Limited	Associated company	Common directorship	18.49%
Bhanero Textiles Mills Limited	Associated company	Common directorship	0.00%
Bhanero Energy Limited	Associated company	Common directorship	0.00%
Admiral (Private) Limited	Associated company	Common directorship	0.00%
Mohammad Amin	Key management personnel	Chief executive officer	4.39%
Adil Shakeel	Key management personnel	Director	4.12%
Mohammad Shaheen	Key management personnel	Director	1.07%

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

There are no balances with related parties as at the reporting date. Names, basis of relationship, details of transactions with associated undertakings & related parties is as follows:

	Nine month ended		Quarter Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Rupees	Rupees	Rupees	Rupees
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)

10.1 Transactions with related parties

Nature of relationship	Nature of transaction				
Associated companies	Purchases	236,155,163	226,125,697	86,229,236	88,984,308
	Sales	1,115,070,707	973,552,048	392,014,182	306,502,233
	Service received	231,750	231,750	77,250	77,250
	Purchase of electr	6,771,682	102,325,174	5,461,561	16,223,982
Key management persc	Short term employ	20,800,000	17,550,000	7,800,000	5,850,000

11 FINANCIAL INSTRUMENTS

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

	March 31, 2020	June 30, 2019
	Rupees	Rupees
	(Un-Audited)	(Audited)
Financial assets		
Cash in hand	1,137,284	-
Financial assets at amortized cost		
Long term deposits	14,394,095	14,394,095
Trade debts	650,758,959	971,214,665
Advances to employees	15,365,369	16,981,488
Security deposits	115,065,677	97,629,246
Bank balances	224,234,024	302,171,995
	1,019,818,124	1,402,391,489
	1,020,955,408	1,402,391,489
	March 31, 2020	June 30, 2019
	Rupees	Rupees
	(Un-Audited)	(Audited)
Financial liabilities		

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Financial liabilities at amortized cost

Long term finances	1,963,249,042	1,969,798,943
Short term borrowings	2,140,718,957	2,190,946,621
Accrued interest/markup	53,672,854	75,540,323
Trade creditors	243,043,116	172,483,346
Accrued liabilities	176,085,427	286,681,689
Unclaimed dividend	156,306,962	5,053,216
	4,733,076,358	4,700,504,138

12 FAIR VALUE MEASUREMENTS

12.1 Financial Instruments

There are no recurring or non-recurring fair value measurements as at the reporting date. The management considers the carrying amount of all the financial instruments to approximate their fair values.

12.2 Assets and liabilities other than financial instruments.

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

13 SEGMENT REPORTING

The Company has two reportable segments, which offer different products and are managed separately. The following summary describes the operations in each of the company's reportable segments.

Reportable segment	Principal activity
Spinning	Manufacture and sale of yarn
Weaving	Manufacture and sale of woven fabric

Information about operating segments is as follows:

	Nine months ended March 31, 2020			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Total Rupees (Un-audited)	
Revenue from external customers	7,047,163,329	2,280,355,193	9,327,518,522	
Inter-segment transfers	106,004,759	-	106,004,759	
Segment results	525,822,415	196,688,459	722,510,874	
	Nine months ended March 31, 2019			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Total Rupees (Un-audited)	
Revenue from external customers	6,395,854,796	2,373,378,973	8,769,233,769	
Inter-segment transfers	208,758,620	-	208,758,620	
Segment results	491,816,940	266,614,133	758,431,073	
	As at March 31, 2020			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment assets	6,984,218,899	1,916,108,852	382,453,173	9,282,780,924
	As at June 30, 2019			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment assets	7,056,471,766	1,702,138,421	369,941,480	9,128,551,667

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	As at March 31 , 2020			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment liabilities	599,049,407	292,173,185	4,551,944,831	5,443,167,423

	As at June 30, 2019			
	Spinning Rupees (Audited)	Weaving Rupees (Audited)	Un-allocated Rupees (Audited)	Total Rupees (Audited)
Segment liabilities	618,718,272	202,603,522	4,552,141,111	5,373,462,905

14 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require adjustment of and/or disclosure in these interim financial statements.


15 RECOVERABLE AMOUNTS AND IMPAIRMENT

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

16 GENERAL

16.1 There are no other significant activities since June 30, 2019 affecting the interim financial statements.

16.2 Figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE
Karachi : April 28,2020


DIRECTOR


CHIEF FINANCIAL OFFICER