

Blessed Textiles Limited

BTL-SEC-161-2020

April 23, 2020

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Sir,

Material Information - Credit Rating

Pursuant to the requirements of Section 96 and 131 of the Securities Act 2015 to be read in conjunction, with SRO No.143 (1)/2012 dated December 5, 2012 and clause 5.6.1 of rule book of PSX to disclose material information we are pleased to enclose herewith the requisite form duly filled in and signed accordingly.

Thanking you.

Yours truly

For Blessed Textiles Limited



Company Secretary

Karachi Office :	Lahore Office :
Umer House. 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi - 74900 Phones : (92-21) 35115177-80 Fax : (92-21) 35063002 & 35063003 E-mail : khioff@umergroup.com Website : www.umergroup.com	9 th Floor, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore - 54660 Phones: (92-42) 111 – 130 - 130, Fax: (92-42) 35770015 E-mail : lhroff@umergroup.com Website : www.umergroup.com

Blessed Textiles Limited

Disclosure Form in Terms of Section 96 and 131 of the Securities Act 2015

Name and Address of Company	Blessed Textiles Limited, Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi
Date of Report	April 23, 2020
Contact Information	Ghulam Mohiuddin; Company Secretary Blessed Textiles Limited Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi. Telephone: 02135063004; Fax: 02135063003 Email: btl.corporate@umergroup.com

Please mark the appropriate box below:

[*] Disclosure of the inside information by the listed company

Public disclosure of inside information, which directly concern the listed securities

“The VIS Credit Rating Company Limited (VIS) has maintained the entity ratings of Blessed Textiles Limited (BTL) at “A-/A-1” (Single A Minus /A-One).

For Blessed Textiles Limited



**(Ghulam Mohiuddin
Company Secretary)**

Pursuant to the requirements of the Securities Act 2015, the company has duly caused this form/statement to be signed/ on its behalf by the undersigned hereunto duly authorized.

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Press Release

VIS Credit Rating Company Maintains Entity Ratings of Blessed Textiles Limited

Karachi, April 22, 2020: VIS Credit Rating Company Limited (VIS) has maintained the entity ratings of Blessed Textiles Limited (BTL) at 'A-/A-1' (Single A Minus/A-One). Long Term Rating of A- reflects good credit quality, adequate protection factors. Risk factors may vary with possible changes in the economy. Short Term Rating of A-1 indicates high certainty of timely payment, excellent liquidity factors supported by good fundamental protection factors and risk factors are minor. Outlook on the assigned ratings has been revised from 'Stable' to 'Rating Watch-Developing'. Previous rating action was announced on February 21, 2019.

BTL carry out operations through its two spinning units and one weaving unit. All the manufacturing facilities are located in Ferozewatan, Shiekhupura. The company operated with total 68,640 spindles (Unit-I & Unit-III) and 140 looms (Unit-II). Capacity utilization of both segments has remained on the higher side; however, some decline is expected, going forward. Double-digit growth was witnessed in both, exports and local sales in FY19. Around two-fifth of total sales are geared towards international market with the remaining comprising local sales.

Ratings assigned to the company take into account sound financial risk profile as reflected by adequate liquidity profile, low leverage capital structure and conservative financial policy. Ratings are constrained by high cyclicity & competitive intensity for spinning industry and volatility in cotton prices which translate into moderate to high business risk profile. The ratings also take into account the extensive experience of sponsor (Umer Group) in the textile industry spanning over four decades with well-diversified customer base spread across international markets.

The revision in rating outlook reflects prevailing uncertainty in textile sector dynamics due to coronavirus outbreak, prolonged lockdown, overall contraction in demand and challenging economic environment. It is expected that the entire value chain of the textile industry will be impacted by these developments. Status of the assigned rating is therefore uncertain as an event of deviation from expected trend has occurred; additional information will be necessary to take any further rating action, warranting a 'Rating Watch-Developing' status. Given the low leveraged capital structure and strong financial flexibility, it is expected that ratings will remain stable post recovery of the ongoing situation; nevertheless as scenario is evolving rapidly, VIS will closely monitor and will accordingly take action to resolve the outlook status.

For further information on this rating announcement, please contact Mr. Talha Iqbal (Ext: 213) or the undersigned (Ext. 306) at 021-35311861/70 or email at info@vis.com.pk.


Faryal Ahmad Faheem
Deputy CEO

Applicable Rating Criteria: Industrial Corporates (April 2019)

<https://s3-us-west-2.amazonaws.com/backupsqvis/docs/Corporate-Methodology-201904.pdf>

Information herein was obtained from sources believed to be accurate and reliable; however, VIS Credit Rating Company Limited (VIS) does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the rating(s)/ranking(s) mentioned in this report. VIS is not an NRSRO and its credit ratings are not NRSRO credit ratings. VIS is paid a fee for most rating assignments. This rating/ranking is an opinion and is not a recommendation to buy or sell any securities. Copyright 2020 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.