

Minutes of the Corporate Briefing Session - 2020

The Corporate Briefing Session (“CBS”) was conducted virtually on November 23, 2020 and the session was chaired by Mr. Muhammad Salim, the director of the company.

The CBS was commenced by the brief introduction about the Umer Group and the company followed by the prevailing economic scenario and financial performance of the company for the year ended June 30, 2020.

Finally, the question and answers session were carried by the participant in the session.

The presentation is enclosed for your perusal.



BLESSED TEXTILES LIMITED

CORPORATE BRIEFING SESSION - 2020



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Introduction

Umer Group of Companies

Established in 1980, the Umer Group of Companies with headquarter in Karachi, has been at the forefront of textile industry in Pakistan since many years. Through dedicated efforts, hard work and by the grace of Allah Umer Group is one of the leading groups of Pakistan.

Apart form textiles, the group has successfully diversified into footwear manufacturing and retailing, dairy , real estate and sugar industry.

Blessed Textiles Limited

The company incorporated in 1987 and operated under the common management of the Umer Group. The company's extraordinary innovative power is based on extensive experience of more than 33 years coupled with in-depth knowledge in the textiles sector of the country.

The company operates with two spinning and one weaving unit located in Punjab produces high quality yarn and fabric for domestic consumption and international markets. The company enjoys a remarkable share in both local and international market mostly to the European Union , USA and Far East.

Incorporation

The company **Blessed Textiles Limited** established in September 1987.

Symbol

BTL

Legal Status

Public Limited Company.

Capital

Authorized Capital - 65,000,000

Issued Paid-up Capital - 64,320,000

(Ordinary Share of Rs.10 each)

Associated Undertakings

Bhanero Textiles Mills Ltd

Faisal Spinning Mills Ltd

Registered and Liaison Office

Registered office of the company is located at Umer House, 23/1, Sector 23, K.I.A , Karachi.

Liaison office of the company is located at City Towers, Main Boulevard, Gulberg-II, Lahore.

Manufacturing Units

- i) Spinning Unit I with an installed capacity of 24,864 spindles, located at Sheikhpura, Punjab
- ii) Spinning Unit II with an installed capacity of 43,776 spindles, located at Sheikhpura, Punjab.
- iii) Weaving Unit III with an installed capacity of 140 air jet looms, located at Sheikhpura, Punjab.

Credit Rating

The final rating of A-/A 1 (Single A Minus / A-One) has been assigned to the company by the rating company Messer's JCR-VIS on April 22 ,2020. The assigned ratings have been placed on "Rating Watch-Developing" status.

Board of Directors

Sr	Names of Directors	Designation
I	Mr. Mohammad Amin	Executive Director / CEO
II	Mr. Khurram Salim	NXD - Director
III	Mr. Bilal Sharif	NXD - Director
IV	Mr. Adil Shakeel	Executive Director
V	Mrs. Samia Bilal	NXD - Director
VI	Mr. Mohammad Salim	NXD - Director / Chairman
VII	Mr. Mohammad Shaheen	Executive Director
VIII	Mr. Iqbal Mehboob	Independent Director
IX	Mr. Mustafa Tanvir	Independent Director
X	Mr. Asif Elahi	Independent Director

Outlook of Cotton

Cotton growers are deeply concerned about the declining harvest, from 14.8 million bales to 9.8 million bales, and production is expected to go down further this year to a record low output of under 9.00 million bales.

Cotton growers are suffering losses worth billions of rupees due to lack of quality seeds as initially suffered due to poor quality seeds 50 percent germination and that too at a higher price than last year whereas international standard for germination was more than 90 percent. Insufficient regulation has led many growers to plant seeds twice in the fields which has increased their two folds of their input cost.

Besides, pest attack, supply of adulterated pesticides and susceptibility of cotton seed to climate change resulted in monetary loss to growers and low output.

Recommendations

- Any new cottons seed should be brought through research and development work after assessing the pros and cons.
- The regulatory regime for providing quality seeds to growers needed to be strengthened.
- A strong regulatory mechanism should be placed to prohibit the sale of adulterated pesticides and fertilizers to the growers.
- Prices should be viable to encourage domestic production.
- Subsidies shall be provided to boost cotton harvesting to farmers.
- Measures should be taken for promote concept of crop insurance for financial protection of farmers against natural disasters, fire & lightening and insect / pest attack on standing crop.

Financial Performance

The sales has been marginally increased by PKR 13.471 million i.e from PKR 12,346.175 million to PKR 12,359.646 million during the current year ended June 30, 2020 as compared to corresponding year.

The gross profit to sales in current year is 10.10% as compared to previous year where it stood at 13.06% showing a decrease of 2.97% during the corresponding period.

The company earned net profit after tax of PKR 425.276 million during the year ended June 30, 2020 as compared corresponding period where it stood at PKR 635.425 million.

Statement of Profit or Loss

For the year ended June 30, 2020

	2020	2019
	<i>Rupees</i>	<i>Rupees</i>
Sales - net	12,359,645,877	12,346,174,829
Cost of sales	(11,111,877,733)	(10,733,443,352)
Gross profit	1,247,768,144	1,612,731,477
Distribution cost	(233,025,294)	(223,401,105)
Administrative expenses	(155,084,179)	(132,042,342)
Other expenses	(36,172,073)	(104,264,650)
	(424,281,546)	(459,708,097)
	823,486,598	1,153,023,380
Other income	32,500,619	6,804,907
Operating profit	855,987,217	1,159,828,287
Finance cost	(306,630,426)	(371,504,106)
Profit before taxation	549,356,791	788,324,181
Provision for taxation	(124,080,076)	(152,899,408)
Profit after taxation	425,276,715	635,424,773
Earnings per share - basic and diluted	66.12	98.79

Blessed Textiles Limited

For the year ended June 30, 2020

Year-Wise Operating Data

2020	2019	2018	2017	2016	2015
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Spinning Unit

Spindle installed	68,640	68,640	68,640	68,640	59,136	59,136
Spindles worked	68,640	68,640	68,640	68,640	59,136	59,136
Installed capacity after conversion into 20/s count - Kg	23,405,000	23,405,000	23,405,000	23,405,000	21,015,867	21,015,867
Actual production converted into 20s - Kg	25,354,000	25,285,000	25,240,000	21,911,000	20,979,751	19,934,197

Weaving Unit

Air jet looms installed	140	140	140	140	139	139
Air jet looms worked	140	140	140	140	139	139
Installed capacity after conversion into 50 picks - Meter	29,355,000	29,355,000	20,352,500	20,352,500	19,771,000	19,771,000
Actual production converted to 50 picks - Meter	23,714,000	25,773,000	26,942,000	14,491,059	11,634,888	11,456,148

Year-Wise Financial Data

2020	2019	2018	2017	2016	2015
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Rupees in Thousands

Profit and loss account

Turnover (Net)

Gross profit

Operating profit

Financial expenses

Profit before tax

Profit after tax

Cash dividend

12,359,646	12,346,175	10,257,434	8,064,238	6,846,744	7,623,285
1,247,768	1,612,731	1,071,515	795,444	521,135	650,230
855,987	1,159,828	690,724	543,551	296,346	379,266
306,630	371,504	186,788	166,058	168,906	260,190
549,357	788,324	503,936	377,493	127,440	119,076
425,277	635,425	368,475	245,797	94,938	82,001
150,509	127,354	147,936	98,410	32,160	32,160

Balance Sheet

Share Capital

Reserves

Shareholder equity

Long term liabilities

Short term loan

Current liabilities

Current portion of long term loans

Fixed assets

Current assets

64,320	64,320	64,320	64,320	64,320	64,320
3,800,000	3,500,000	3,000,000	2,800,000	2,600,000	2,500,000
3,889,547	3,755,089	3,251,805	2,973,279	2,759,050	2,678,841
1,959,433	1,600,162	1,543,020	1,817,591	1,376,316	1,063,744
3,480,258	2,190,947	3,146,462	1,242,801	1,153,712	380,500
4,271,426	3,185,410	3,980,546	1,846,274	1,765,146	1,038,510
59,566	369,637	303,439	221,742	254,009	280,492
3,811,341	3,781,060	3,595,552	3,897,891	3,512,679	3,052,232
6,936,294	5,333,098	5,695,622	3,169,630	2,593,542	1,877,665

Ratios

Performance

Sales growth percentage - Year to Year basis

0.11%	20.36%	27.20%	17.78%	-10.19%	3.30%
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Gross profit (%)

10.10%	13.06%	10.45%	9.86%	7.61%	8.53%
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Profit before tax (%)

4.44%	6.39%	4.91%	4.68%	1.86%	1.56%
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Profit after tax (%)

3.44%	5.15%	3.59%	3.05%	1.39%	1.08%
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Breakup value per share - Rupees per share

604.72	583.81	505.57	462.26	428.96	416.49
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Market value of share - at the year end - Rupees per share

255.00	239.90	355.30	240.36	150.00	146.00
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Earnings per share - Rupees per share

66.12	98.79	57.29	38.21	14.76	12.75
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Price earning ratio

3.86	2.43	6.20	6.29	10.16	11.45
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Leverage

Gearing ratio

1.41	1.11	1.54	1.10	1.01	0.64
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Debt to equity (%)

50.38%	42.61%	47.45%	61.13%	49.88%	39.71%
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Interest covering ratio

2.79	3.12	3.70	3.27	1.75	1.46
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Liquidity ratio

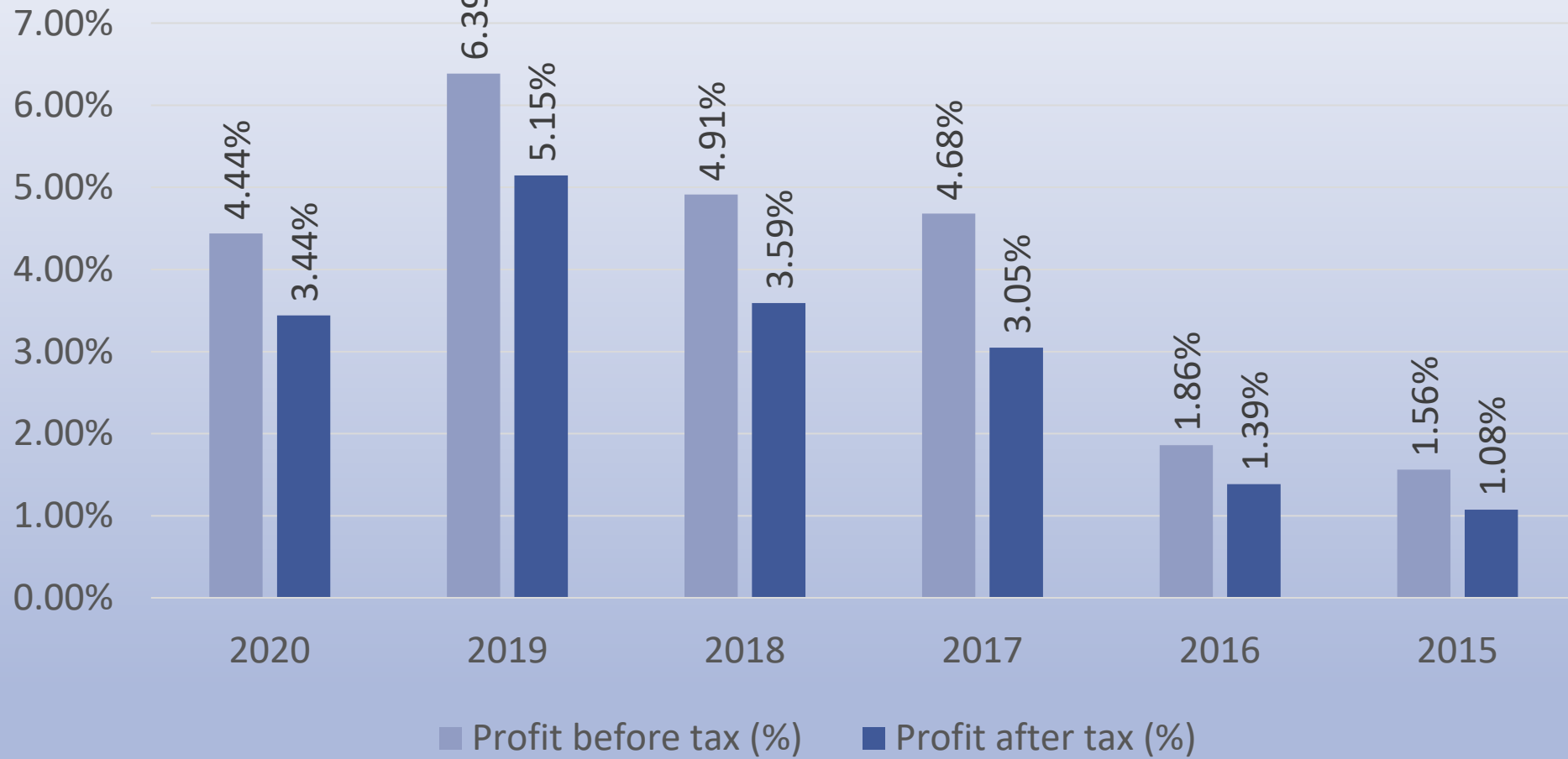
Current ratio

1.62	1.67	1.43	1.72	1.47	1.81
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PBT & PAT



Shareholders Equity

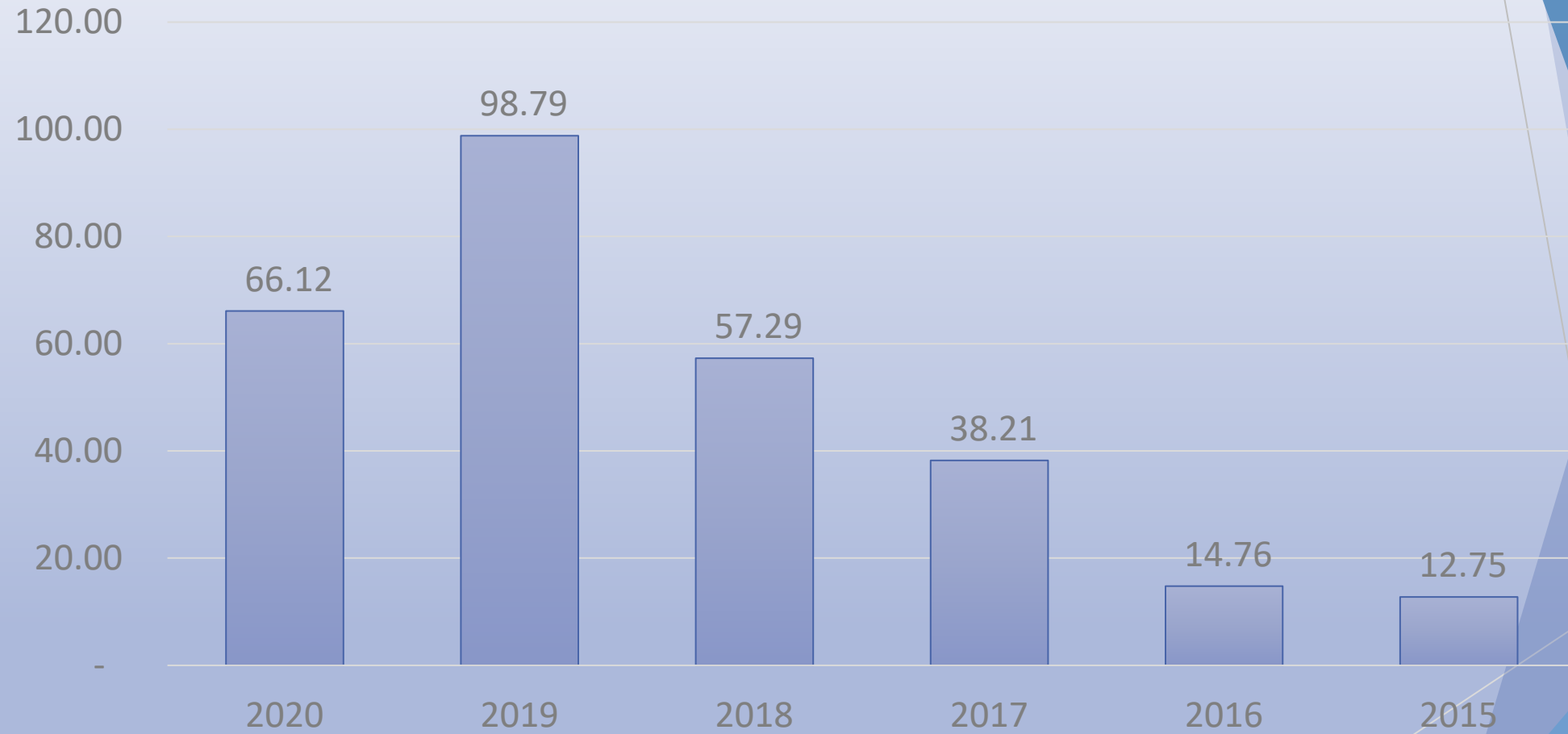


	2020	2019	2018	2017	2016	2015
■ Shareholders Equity	3,890	3,755	3,252	2,973	2,759	2,679

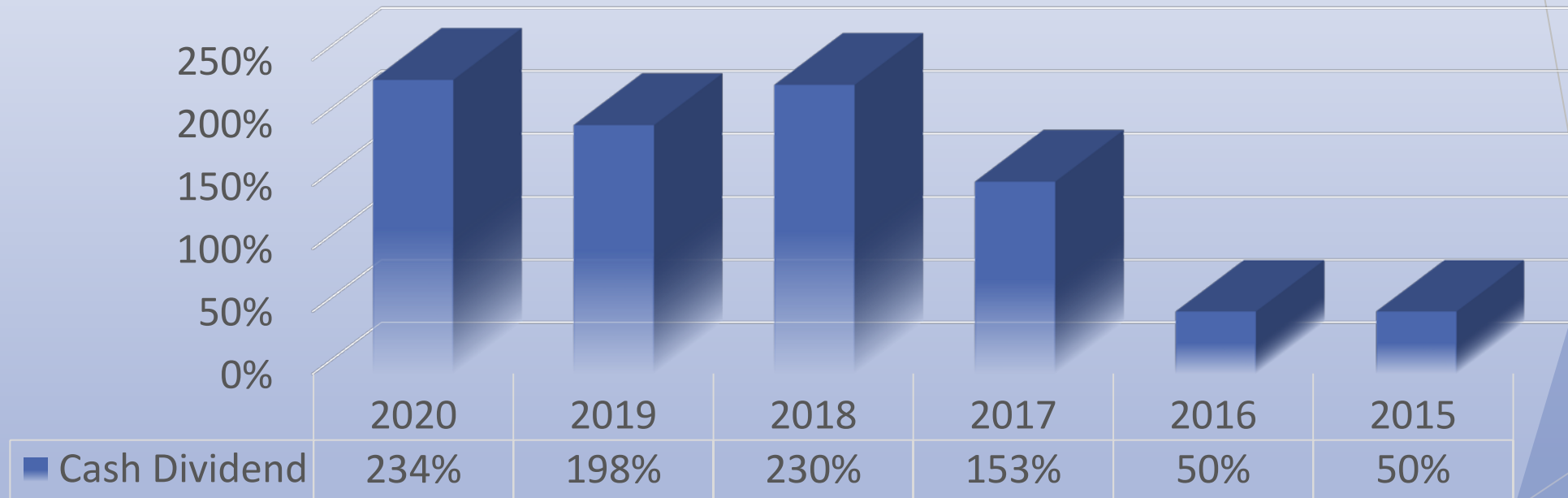
Break up Value of Share



Earnings Per Share



Cash Dividend



Blessed Textile Limited

Categories of Shareholders

As At June 30, 2020

Sr	Categories Of Shareholders	Numbers Of Shareholders	Shares Held	Percentage %
1	Director's, CEO, Their Spouse and Minor Children	19	2,285,984	35.54
2	Associated Companies, Undertaking and Related Parties	19	3,150,316	48.98
3	Banks / Financial Institutions	1	31	0.00
4	Insurance Company	1	393,900	6.12
5	General Public / Individuals	622	524,042	8.15
6	Investment Company	1	18,500	0.29
7	Joint Stock Companies	2	600	0.01
8	Other Companies	5	58,627	0.91
		670	6,432,000	100.00

Blessed Textiles Limited

Free Float of Shares

As on June 30, 2020

Total outstanding shares		6,432,000
<u>Less :</u>		
Shares held by Directors /Sponsors	4,247,140	
Government holding as Promoter /Acquirer /Controller		
Shares held by Associated Undertakings	1,189,160	
Shares held with General Public	<u>61,300</u>	5,497,600
Free Float		<u><u>934,400</u></u>
Total number of shares available in CDC		1,227,900
Total number of shares available in Physical Form		<u>5,204,100</u>
Total		<u><u>6,432,000</u></u>

Question & Answers Session

The honorable guest and shareholders of the company are requested to proceed for question and answer session with regard to the financial statements for the year ended June 30, 2020.

Thanks