

MIRA INFORM REPORT

Report No. :	546602
Report Date :	28.12.2018

IDENTIFICATION DETAILS

Name :	AL-NASR TEXTILES LIMITED
Registered Office :	29-Shadman-II, Lahore
Country :	Pakistan
Financials (as on) :	2018 (Summarized)
Date of Incorporation :	31.07.2001
Com. Reg. No.:	0042728
Legal Form :	Public Limited Company
Line of Business :	Subject Company is engaged in manufacturing and sale of Cotton Yarn.
No. of Employees :	673

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Maximum Credit Limit :	USD 1394689.96
Status :	Satisfactory
Payment Behaviour :	Slow and Delayed
Litigation :	Clear

NOTES :

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Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Pakistan	B1	B1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

PAKISTAN - ECONOMIC OVERVIEW

Decades of internal political disputes and low levels of foreign investment have led to underdevelopment in Pakistan. Pakistan has a large English-speaking population, with English-language skills less prevalent outside urban centers. Despite some progress in recent years in both security and energy, a challenging security environment, electricity shortages, and a burdensome investment climate have traditionally deterred investors. Agriculture accounts for one-fifth of output and two-fifths of employment. Textiles and apparel account for more than half of Pakistan's export earnings; Pakistan's failure to diversify its exports has left the country vulnerable to shifts in world demand. Pakistan's GDP growth has gradually increased since 2012, and was 5.3% in 2017. Official unemployment was 6% in 2017, but this fails to capture the true picture, because much of the economy is informal and underemployment remains high. Human development continues to lag behind most of the region.

In 2013, Pakistan embarked on a \$6.3 billion IMF Extended Fund Facility, which focused on reducing energy shortages, stabilizing public finances, increasing revenue collection, and improving its balance of payments position. The program concluded in September 2016. Although Pakistan missed several structural reform criteria, it restored macroeconomic stability, improved its credit rating, and boosted growth. The Pakistani rupee has remained relatively stable against the US dollar since 2015, though it declined about 10% between November 2017 and March 2018. Balance of payments concerns have reemerged, however, as a result of a significant increase in imports and weak export and remittance growth.

Pakistan must continue to address several longstanding issues, including expanding investment in education, healthcare, and sanitation; adapting to the effects of climate change and natural disasters; improving the country's business environment; and widening the country's tax base. Given demographic challenges, Pakistan's leadership will be pressed to implement economic reforms, promote further development of the energy sector, and attract foreign investment to support sufficient economic growth necessary to employ its growing and rapidly urbanizing population, much of which is under the age of 25.

In an effort to boost development, Pakistan and China are implementing the "China-Pakistan Economic Corridor" (CPEC) with \$60 billion in investments targeted towards energy and other infrastructure projects. Pakistan believes CPEC investments will enable growth rates of over 6% of GDP by laying the groundwork for increased exports. CPEC-related obligations, however, have raised IMF concern about Pakistan's capital outflows and external financing needs over the medium term.

Source : CIA

COMPANY NAME

AL-NASR TEXTILES LIMITED

FULL ADDRESS

Registered Address

29-Shadman-II, Lahore, Pakistan

Tel # 92 (21) 111-888-600

Fax # 92 (21) 35407032

SHORT DESCRIPTION OF BUSINESS

- | | | |
|----|---------------------------|---|
| a. | Nature of Business | The Company is principally engaged in manufacturing and sale of Cotton Yarn |
| b. | Incorporated | 31 st July, 2001 |
| c. | Registration No. | 0042728 |

MILLS LOCATION

5 K.M., Raiwind Manga Road,
District Kasur, Punjab, Pakistan

AUDITORS

Mushtaq & Company
(Chartered Accountants)

LEGAL STATUS

Subject Company was incorporated in Pakistan as a Public Limited Company on 31st July, 2001

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DETAILS OF MANAGEMENT

Names	Designation
Mr. Tariq Mehmood	Chief Executive
Mr. Javed Nasrullah	Director
Mr. Raza Nasrullah	Director

SHAREHOLDERS

Names	No. of Shares
Mr. Tariq Mehmood	218,369
Mr. Zainab Mehmood	42,789
Mr. Gohar Ahmed	42,790
Mr. Khursheed Asif	42,789
Mrs. Uzma Chaudhary	49,757
Mrs. Asma Khalid	49,757
Pak Kuwait Textiles Limited, Pakistan	33,119,000
Mr. Javed Nasrullah	227,461
Mr. Raza Nasrullah	227460
Mr. Usman Khalid	99,515
Mr. Mehmood Raza Kazmi	1
Mrs. Farzana Mehmood	9,091
Mrs. Rubina Khalid	28,432
Mrs. Huma Usman	42,789

PARENT COMPANY

(1) Pak Kuwait Textiles Limited, Pakistan.

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BUSINESS ACTIVITIES

Subject Company is principally engaged in manufacturing and sale of Cotton Yarn.

Its import Textile Raw Materials, Textile Machineries through **L/C, D/P** basis to its trade suppliers globally.

It sales its products through cash / credit term basis in local markets. Whereas in case of export, payment would be accepted through **L/C, D/P** basis.

Its major customers are Buying Agencies, Private Companies, International Buyers, Distribution Companies etc.

Subject operates from caption leased factories premises located at commercial & industrial centers of Lahore & Kasur, Punjab.

Subject employs about **673** persons in its set up.

ANNUAL SALES VOLUME

Years	In Pak Rupees
2017	3,002,113,416/-
2018	3,881,146,415/-

PLANT CAPACITY & PRODUCTION

It is difficult to precisely describe 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, spindles speed and twist etc. It would also vary accordingly to pattern of production adopted in a particular year.

TRADE SUPPLIERS (FOREIGN)

Subject import globally from Companies belongs to China, Korea, Japan, Taiwan & European Countries

BANKERS

- (1) Bank Alfalah Limited, Pakistan.
- (2) Habib Bank Limited, Pakistan.
- (4) Meezan Bank Limited, Pakistan.
- (5) Faysal Bank Ltd, Pakistan.

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- (8) Standard Chartered Bank, Pakistan.
(9) United Bank Limited, Pakistan.

MEMBERSHIPS

KCCI
APTMA

COMMENTS

Subject Company was established in 31st July, 2001 and is principally engaged in manufacturing and sale of Cotton Yarn. Directors are reported as qualified, experienced and resourceful businessmen. In view of current disturbed economic and political situation, we would advise to deal with all the business in Pakistan with some caution.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.33
UK Pound	1	INR 88.98
Euro	1	INR 80.02
PKR	1	INR 0.50

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	TRU

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)