

MAGNA TEXTILE INDUSTRIES (PVT) LIMITED - 483340 01-JAN-2018.HTM PAGE NO. : 1

MIRA INFORM REPORT

Report No. :	483340
Report Date :	01.01.2018

IDENTIFICATION DETAILS

Name :	MAGNA TEXTILE INDUSTRIES (PVT) LIMITED
Registered Office :	P-15, Rail Bazar, Faisalabad, Punjab
Country :	Pakistan
Date of Incorporation :	1993
Com. Reg. No.:	0030989
Legal Form :	Private Limited Company
Line of Business :	Manufacture & Export of Textile Made-ups & Fabrics
No. of Employees :	More than 289

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

Status :	Satisfactory
Payment Behaviour :	Slow and delayed

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Litigation :	Clear
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NOTES :

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 (30.06.2017)	Current Rating (30.09.2017)
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

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PAKISTAN - ECONOMIC OVERVIEW

Decades of internal political disputes and low levels of foreign investment have led to slow growth and underdevelopment in Pakistan. Pakistan has a large English-speaking population. Nevertheless, a challenging security environment, electricity shortages, and a burdensome investment climate have deterred investors. Agriculture accounts for one-fifth of output and two-fifths of employment. Textiles and apparel account for most 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. Official unemployment was 6.1% in 2016, 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, after heavy depreciation in 2013, remained relatively stable against the US dollar in 2016. Low global oil prices in 2016 contributed to a narrowing current account deficit and lower inflation. Remittances from overseas workers continued to be a key revenue source, also mitigating the impact of the lack of foreign investment and a growing trade deficit on the country's current account.

Pakistan must continue to address several longstanding issues, including expanding investment in education and healthcare, adapting to the effects of climate change and natural disasters, improving the country's business environment, reducing dependence on foreign donors, 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," a \$46 billion investment program targeted towards the energy sector and other infrastructure projects that Islamabad and Beijing had agreed on in early 2013.

Source : CIA

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BUSINESS NAME

MAGNA TEXTILE INDUSTRIES (PVT) LIMITED

FULL ADDRESS

Registered Address

P-15, Rail Bazar, Faisalabad, Punjab, Pakistan

Tel # 92 (41) 2617616, 2615642
Fax # 92 (41) 2615642
Email magna@fsd.comsats.net.pk

SHORT DESCRIPTION OF BUSINESS

Nature of Business Manufacture & Export of Textile Made-ups & Fabrics
Year Established 1993
Registration No. 0030989

MILLS LOCATIONS

2.6 K.M., Khurrianwala-Jaranwala
Road, Faisalabad, Pakistan

AUDITORS

Deloitte Yousuf Adil
(Chartered Accountants)

LEGAL STATUS

Subject Company was established as a Private Limited Company in 1993

Authorized Capital Rs. 150,000,000/- divided into 1,500,000 shares of Rs. 100/- each

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Issued & Paid up Capital Rs. 120,000,000/- divided into 1,200,000 shares of Rs. 100/- each

DETAILS OF DIRECTORS

Names	Designation
Mr. Saeed Ullah Sheikh	Chief Executive
Mr. Farhat Ullah Sheikh	Director

SHAREHOLDERS

Names	No. of Shares
Mr. Saeed Ullah Sheikh	395,500
Mr. Farhat Ullah Sheikh	316,000
Mr. Zeeshan Saeed	344,000
Mr. Zulfiqar Ahmed	144,500

ASSOCIATES

A. SUBSIDIARY

None

B. ASSOCIATED COMPANIES

- (1) Saeed Ullah Cloth Merchants, Pakistan.
- (2) Farhat Traders, Pakistan.
- (3) Zeeshan Traders, Pakistan.
- (4) Magna Chem, Pakistan.

BUSINESS ACTIVITIES

Subject Company is engaged in manufacture & export of Textile Made-ups & Fabrics.

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Its import textile raw materials, textile machineries through L/C, D/P basis to its trade suppliers globally.

It sale its products through cash term basis. Whereas in case of export, payments would be accepted through L/C, D/P basis.

Its exporting countries are U.S.A. & European Countries.

Its importing countries are China, Korea, Hong Kong, Thailand, Singapore, Taiwan & European Countries.

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

Subject operates from office & factory premises situated at commercial & industrial centers of Faisalabad, Punjab.

Subject employs more than 289 persons in its set up.

ANNUAL SALES VOLUME

Year	In Pak Rupees
2015	520,000,000/- (Estimated)

ANNUAL PRODUCTION VOLUME

Mainly depends upon the requirement from their international customers and also according to the demand in worldwide markets / Domestic markets

TRADE SUPPLIERS (FOREIGN)

Subject import globally from Companies belongs to China, Korea, Hong Kong, Thailand, Singapore, Taiwan & European Countries. Its global trade suppliers are Companies related to Textile Raw Materials, Textile Machineries

CUSTOMERS

Major customers are Buying Agencies, Distribution Companies, International Buyers etc

BANKERS

- (1) Samba Bank Limited, Pakistan.
- (2) Bank Al-Habib Limited, Pakistan.
- (3) Bank Alfalah Limited, Pakistan.
- (4) Faysal Bank Limited, Pakistan.
- (5) Habib Bank Limited, Pakistan.
- (6) Silk Bank Limited, Pakistan.

MEMBERSHIPS

All Pakistan Textile Processing Mills Association.(APTPMA)
All Pakistan Cloth Exporters Association.(APCEA)
All Pakistan Bed sheet & Upholstery Manufacturer Association. (APBUMA)
Faisalabad Chamber of Commerce & Industries.(FCCI)

COMMENTS

Subject Company was established in 1993 and is engaged in manufacture & export of Textile Made-ups & Fabrics. Overall reputation is satisfactory.

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 63.93
UK Pound	1	INR 86.07
Euro	1	INR 76.39
PKR	1	INR 0.58

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	SYL

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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)

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