

## MIRA INFORM REPORT

<b>Report No. :</b>	483949
<b>Report Date :</b>	03.01.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	ARCHROMA PAKISTAN LIMITED
<b>Formerly Known As :</b>	CLARIANT PAKISTAN LIMITED
<b>Registered Office :</b>	1-A/1, Sector-20, Korangi Industrial Area, Karachi
<b>Country :</b>	Pakistan
<b>Date of Incorporation :</b>	1996
<b>Com. Reg. No.:</b>	0037175
<b>Legal Form :</b>	Limited liability company
<b>Line of Business :</b>	Subject is engaged in the manufacture and sale of Chemicals, dyestuffs and emulsions. It also act as an indenting agent
<b>No. of Employees :</b>	312

### RATING & COMMENTS

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

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

<b>Status :</b>	Satisfactory
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<b>Payment Behaviour :</b>	Slow and delayed
<b>Litigation :</b>	Clear

**NOTES :**

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

**ECGC Country Risk Classification List**

<b>Country Name</b>	<b>Previous Rating (30.06.2017)</b>	<b>Current Rating (30.09.2017)</b>
Pakistan	B1	B1

<b>Risk Category</b>	<b>ECGC Classification</b>
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

## **COMPANY NAME**

**ARCHROMA PAKISTAN LIMITED**

(FORMERLY: CLARIANT PAKISTAN LIMITED)

## **FULL ADDRESS**

Registered Address

1-A/1, Sector-20, Korangi Industrial Area, Karachi, Pakistan

Tel # 92 (21) 35046710, 35046711

Fax # 92 (21) 35046712

## **SHORT DESCRIPTION OF BUSINESS**

- |    |                    |   |
|----|--------------------|---|
| a. | Nature of Business | The Company is engaged in the manufacture and sale of Chemicals, dyestuffs and emulsions. It also act as an indenting agent |
| b. | Year Established   | 1996  |
| c. | Registration #     | 0037175   |

## **FACTORIES**

Korangi Industrial Area, Karachi.

Petaro Road, Jamshoro.

Katarband Road, Thokar Niaz Baig, Lahore.

## **BRANCHES**

In Faisalabad & Lahore

## **AUDITORS**

KPMG Taseer Hadi & Co.

(Chartered Accountants)

## **LEGAL STATUS**

The Company is a limited liability company and is incorporated and domiciled in Pakistan.  
The Company is listed at stock exchange of Pakistan

## **DETAILS OF DIRECTORS**

Names	Designation
Mr. Mujtaba Rahim	Chairman / CEO
Mr. Hans Lourens	Director
Dr. S. Mubarik Ali	Director
Mr. Veqar Arif	Director
Mr. Roland Waibel	Director
Mr. Thomas Winkler	Director
Mr. Rahat Kaunain Hassan	Director

## **SHAREHOLDERS**

Categories	Percentage (%)
Associated Companies, Undertakings and related parties	75.00
Directors, Chief Executive Officer & their spouse and minor children	0.00
NIT & ICP	0.00
Banks, Development Financial Institutions, Non Banking Financial Institutions	1.23
Insurance Companies	4.04
Modarbas and mutual funds	6.08
General Public	12.07

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Others 1.58

## **HOLDING COMPANY**

The Company is a subsidiary of Archroma Textiles S.A.R.L. (Incorporated in Luxembourg)

## **PRINCIPLE ACTIVITIES**

The Company is engaged in the manufacture and sale of Chemicals, dyestuffs and emulsions. It also act as an indenting agent

## **NUMBER OF EMPLOYEES**

312

## **PLANT CAPACITY & PRODUCTION**

Production during the year was 56,921 tonnes (2015: 49,906 tonnes). The capacity is indeterminable because of multi-product plants involving varying processes of manufacture. The Company's production was according to market demand.

## **TRADE SUPPLIERS (FOREIGN)**

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

## **ANNUAL SALES TURNOVER**

Year	In Pak Rupees
2016	12,473,706,000/-

## **DISTRIBUTORS**

Mainly exist at major cities of Pakistan

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## **BANKERS**

- (1) Citibank, N.A., Pakistan.
- (2) Faysal Bank Limited, Pakistan.
- (3) Habib Bank Limited, Pakistan.
- (4) HSBC Bank Middle East Limited, Pakistan.
- (5) Meezan Bank Limited, Pakistan.
- (6) National Bank of Pakistan.
- (7) United Bank Limited, Pakistan.
- (8) Standard Chartered Bank, Pakistan.

## **FUTURE OUTLOOK**

Going forward, there are considerable challenges in the months ahead. However the Company on its part has systems and procedures in place to meet surrounding risk and challenges.

## **FINANCIAL POSITION**

Very Sound

## **CHANGE OF NAME**

Because of the change of holding Company from Clariant International Ltd to Archroma Textiles S.A.R.L, the name of the Company has been changed from Clariant Pakistan Ltd to Archroma Pakistan Ltd. The Board has approved the change of name subject to approval by the authorities and shareholders at their meeting scheduled on 22<sup>nd</sup> November 2013.

## **MEMBERSHIPS**

KCCI  
FPCCI  
KATI

## **COMMENTS**

Subject Company enjoys excellent credibility internationally as well as in Pakistan. Chairman & directors of the Company are resourceful and experienced businessmen. Payments are reported as Slow. 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 63.67
UK Pound	1	INR 86.11
Euro	1	INR 76.59
PKR	1	INR 0.57

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

**INFORMATION DETAILS**

Analysis Done by :	PRA
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)

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