

MIRA INFORM REPORT

Report No. :	518935
Report Date :	07.07.2018

IDENTIFICATION DETAILS

Name :	SAAD TEXTILE MILLS (PVT) LIMITED
Registered Office :	108, 1 st Floor, Business & Finance Centre, I.I. Chundrigar Road, Karachi
Country :	Pakistan
Financials (as on) :	2017 (Summarized)
Year of Establishment :	1991
Com. Reg. No.:	0023458
Legal Form :	Private Limited Company
Line of Business :	Subject is engaged in manufacture & marketing of Towel & Fabrics.
No. of Employees :	550

RATING & COMMENTS

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

MIRA's Rating :

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow but Correct
Litigation :	Clear

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 (31.12.2017)	Current Rating (01.04.2018)
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

Business Name SAAD TEXTILE MILLS (PVT) LIMITED

FULL ADDRESS

Registered Address
108, 1st Floor, Business & Finance Centre, I.I. Chundrigar Road, Karachi, Pakistan

Tel # 92 (21) 32414572, 32473086
Fax # 92 (21) 32417642
Email aneebpharma@brain.net.pk

SHORT DESCRIPTION OF BUSINESS

- | | | |
|----|--------------------|---|
| a. | Nature of Business | Engaged in manufacture & marketing of Towel & Fabrics |
| b. | Incorporated | 1991 |
| c. | Registration No. | 0023458 |

FACTORY LOCATION

1-K.M., Defence Road, Bhuptian
Chowk, Opp. Comsats University,
Lahore, Pakistan

AUDITORS

Mushtaq & Co.
(Chartered Accountants)

LEGAL STATUS

Subject Company was established as a Private Limited Company in 1991

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AUTHORIZED CAPITAL	Rs. 40,000,000/- divided into 4,000,000 shares of Rs. 10/- each
ISSUED & PAID UP CAPITAL	Rs. 25,517,700/- divided into 2,551,770 shares of Rs. 10/- each

DETAILS OF MANAGEMENT

Names	Designation
Mr. Pervaiz Anwar Sheikh	Chief Executive
Mrs. Shaheen Pervaiz	Director
Mr. Habib Anwar	Director
Mr. Saad Pervaiz	Director

SHAREHOLDERS

Names	No. of Shares
Mr. Pervaiz Anwar Sheikh	500,534
Mrs. Shaheen Pervaiz	519,236
Mr. Habib Anwar	766,000
Mr. Saad Pervaiz	766,000

ASSOCIATES

A. SUBSIDIARY

None

B. ASSOCIATED COMPANIES

- Do -

BUSINESS ACTIVITIES

Engaged in manufacture & marketing of Towel & Fabrics

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NUMBER OF EMPLOYEES

550

ANNUAL PRODUCTION VOLUME

		2017	2016
Towel Weaving Machinery			
Installed capacity	Kgs	1,300,000	1,200,000
Actual production	Kgs	1,210,000	1,090,000
Number of shifts worked per day		3	3
Total days worked		365	365
Fabric Weaving Machinery			
Installed capacity	Meters	7,200,000	7,200,000
Actual production	Meters	7,100,000	7,000,000
Number of shifts worked per day		3	3
Total days worked		365	365

ANNUAL SALES VOLUME

Year	In Pak Rupees
2017	1,432,420,879/-

TRADE SUPPLIERS (FOREIGN)

Subject import globally from Companies belongs to China, Korea, India, Malaysia, Indonesia & Taiwan

CUSTOMERS

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

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BANKERS

- (1) Habib Bank Limited, Pakistan.
- (2) Habib Metropolitan Bank Limited, Pakistan.
- (3) Bank Alfalah Limited, Pakistan.
- (4) Faysal Bank Limited, Pakistan.

MEMBERSHIPS

KCCI
FPCCI

COMMENTS

Subject Company was established in 1991 and is engaged in manufacture & marketing of Towel & Fabrics. Overall reputation is satisfactory. Trade relations are reported as fair. 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 68.87
UK Pound	1	INR 91.14
Euro	1	INR 80.63
PKR	1	INR 0.57

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	DNS

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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)