

## MIRA INFORM REPORT

Report No. :	537452
Report Date :	03.11.2018

### IDENTIFICATION DETAILS

Name :	PREMIER CABLES (PVT) LIMITED
Registered Office :	43-E, Block-6, P.E.C.H.S., Karachi
Country :	Pakistan
Financials (as on) :	2017 [Summarized]
Date of Incorporation :	1964
Com. Reg. No.:	0070771
Legal Form :	Private Limited Company
Line of Business :	Manufacturing & Marketing of Electrical Wires & Cables, Telephone Cables, PVC Garden Pipes, PVC Compounding etc.
No. of Employees :	290

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> 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 :	863,207.425 USD
Status :	Satisfactory
Payment Behaviour :	Slow & Delayed
Litigation :	Clear

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**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**

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

## **BUSINESS NAME**

PREMIER CABLES (PVT) LIMITED

## **FULL ADDRESS**

### **Registered Address**

43-E, Block-6, P.E.C.H.S., Karachi, Pakistan

Tel No. 92 (21) 34397771, 34397772, 34397773, 34397774, 34397775

Fax No. 92 (21) 34397779

Email [premiercables@cyber.net.pk](mailto:premiercables@cyber.net.pk)

## **SHORT DESCRIPTION OF BUSINESS**

- |    |                    |  |
|----|--------------------|--|
| a. | Nature of Business | Manufacturing & marketing of Electrical Wires & Cables, Telephone Cables, PVC Garden Pipes, PVC Compounding etc. |
| b. | Year Established   | 1964   |
| c. | Registration #     | 0070771  |

## **FACTORY LOCATION**

Factory is located at Federal "B" Industrial Area of Karachi

## **AUDITORS**

Anjum Asim Shahid Rahman  
(Chartered Accountants)

## **LEGAL STATUS**

Subject Company was established as a Private Limited Company in 1964

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AUTHORIZED CAPITAL	Rs. 1,000,000,000/- divided into 1,000,000 shares of Rs. 1,000 each
ISSUED & PAID UP CAPITAL	Rs. 842,000,000/- divided into 842,000 shares of Rs. 1,000 each

## **DETAILS OF DIRECTORS**

<b>Names</b>	<b>Designation</b>
Mr. Mohammad Shoaib Ismail	Chief Executive
Mr. Shahid Ismail	Director
Mr. Asif Ismail	Director
Mr. Hafiz Junaid Ismail	Director

## **SHAREHOLDERS**

<b>Names</b>	<b>No. of Shares</b>
Mr. Mohammad Shoaib Ismail	210,500
Mr. Shahid Ismail	210,500
Mr. Asif Ismail	210,500
Mr. Hafiz Junaid Ismail	210,500

## **ASSOCIATES**

- A. SUBSIDIARY
- None
- B. ASSOCIATED COMPANIES
- (1) Premier Industries, Pakistan.

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## **BUSINESS ACTIVITIES**

Manufacturing & marketing of Electrical Wires & Cables, Telephone Cables, PVC Garden Pipes, PVC Compounding, Artificial Leather and supplying the same in to local and exports Cables & Wires to international market as well.

## **NUMBER OF EMPLOYEES**

290

## **ANNUAL SALES TURNOVER**

<b>Years</b>	<b>In Pak Rupees</b>
2015	1,650,000,000/- (Estimated)
2016	1,900,000,000/- (Estimated)
2017	2,300,000,000/- (Estimated)

## **PLANT CAPACITY & ACTUAL PRODUCTION**

Annual production volume is indeterminable as it's mainly depend upon the demand / requirements from their domestic as well as international customers

## **TRADE SUPPLIERS (FOREIGN)**

Subject import globally from Companies belongs to China, Japan, Korea, European Countries, U.K., U.S.A., & U.A.E.

## **CUSTOMERS**

Major customers are Distribution Companies, Retail & Wholesale Traders, Construction Companies, Government Corporations, Industrial Corporations etc

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## **BANKERS**

- (1) MCB Bank Limited, Pakistan.
- (2) Faysal Bank Limited, Pakistan.
- (3) Bank Alfalah Limited, Pakistan.
- (4) NIB Bank Limited, Pakistan.
- (5) Habib Bank Limited, Pakistan.

## **BUSINESS REVIEW**

Overall the business environment has shown improvement, bringing about investment in infrastructure, greater economic activity, several new projects and growth in the residential construction market. With this backdrop, the Company has had a good financial year in terms of sales and has witnessed significant growth in all its key markets. The Company's efforts in debottlenecking several areas of constraint supported by better output and closer alignment of all functions has assisted in meeting the growing demands of the market. At the same time, with competitive scenario within the industry also continues to become increasingly challenging thereby creating the risk of eroding margins in the future.

## **FUTURE OUTLOOK**

There should be ongoing uncertainty with respect to the political scenario, there is a genuine possibility of a slowdown, which could have an impact on Company's markets. In recent times, there has been a growth in the import of cables, primarily due to various exemptions on duties and sales tax for imports of wire and cables provided to certain CPEC and special projects. The same exemptions are not available if customers procure the product from local manufacturers of wire and cable. Should this trend continue, the Company's sales may come under pressure. As such, several efforts in recent times have been underway through the All Pakistan Cables and Conductors Manufacturers Association, as the benefits available to imported cables are not available to local manufacturers of wire and cable. This has resulted in an imbalanced playing field, which is an issue that impacts the entire domestic industry. Various efforts are being made at several levels within the Government to provide the local industry with a chance to compete with imports via a level playing field. In this context, the Company's strategy is to remain proactive with respect to approaching the Government on issues impacting the local industry.

## **MEMBERSHIPS**

KCCI  
FPCCI

## ***COMMENTS***

The conduct of the company is correct. 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 72.87
UK Pound	1	INR 94.75
Euro	1	INR 83.23
PKR	1	INR 0.55

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIVR
<b>Report Prepared by :</b>	TPT

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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)