

MIRA INFORM REPORT

Report No. :	537482
Report Date :	03.11.2018

IDENTIFICATION DETAILS

Name :	SYNTHETIC PRODUCTS ENTERPRISES LIMITED
Registered Office :	127-S, Quaid-e-Azam Industrial Estate, Township, Kot Lakhpat, Lahore,
Country :	Pakistan
Financials (as on) :	2018 (Summarized)
Date of Incorporation :	16.05.1982
Com. Reg. No.:	0009432
Legal Form :	Public Limited Company
Line of Business :	Subject is engaged in the manufacturing and sale of Plastic Auto Parts, Plastic Food Packaging, Moulds & Dies
No. of Employees :	560

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 1,316,176.11
Status :	Satisfactory
Payment Behaviour :	Slow and Delayed
Litigation :	Clear

NOTES :

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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

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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 AND ADDRESS

SYNTHETIC PRODUCTS ENTERPRISES LIMITED

FULL ADDRESS

Registered Address

127-S, Quaid-e-Azam Industrial Estate, Township, Kot Lakhpat, Lahore, Pakistan

Tel No. 92 (42) 111-005-005

Fax No. 92 (42) 35118507

SHORT DESCRIPTION OF BUSINESS

- | | | |
|----|--------------------|--|
| a. | Nature of Business | Principally engaged in the manufacturing and sale of Plastic Auto Parts, Plastic Food Packaging, Moulds & Dies |
| b. | Year Established | 16 th May, 1982 |
| c. | Registration # | 0009432 |

FACTORY LOCATION

4-km Off Feroz Pur Road Raiwind
Lilliani Link, Road Pandoki
Lahore, Pakistan

AUDITORS

KPMG Taseer Hadi & Co.
(Chartered Accountants)

LEGAL STATUS

Subject Company was established as a Private Limited Company in 1982. The Company converted into Public Limited Company on 21st July, 2008

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DETAILS OF MANAGEMENT

Names	Designation
Mr. Almas Hyder	Chairman
Mr. Zia Hyder Naqi	Chief Executive
Dr. S.M. Naqi	Director
Dr. Syed Salman Ali Shah	Director
Mr. Muhammad Tabassum Munir	Director
Mr. Khawar Anwar Khawaja	Director
Mr. Raza Haider Naqi	Director
Mr. Sheikh Naseer Hyder	Director
Mr. Abid Saleem Khan	Director

SHAREHOLDERS

Names	Shareholding (%)
Sponsors, Directors, CEO, & Children	74.6012
NIT & ICP	0.2883
Banks, DFI and NBF1	0.3878
Insurance Companies	5.0791
Modarbas & Mutual Funds	5.6277
General Public (Local)	10.5009
General Public (Foreign)	1.1808
Others	2.3342

ASSOCIATES

A. SUBSIDIARY

SPEL Pharmatec (Private) Limited, Pakistan.

B. ASSOCIATED COMPANIES

(1) SPEL Technology Support Limited, Pakistan.

BUSINESS ACTIVITIES & ITS PRODUCTS

Principally engaged in the manufacturing and sale of Plastic Auto Parts, Plastic Food Packaging, Moulds & Dies

NUMBER OF EMPLOYEES

560

ANNUAL PRODUCTION VOLUME

Annual production volume are attached in separate file in PDF format

ANNUAL SALES VOLUME

Years	In Pak Rupees
2017	3,165,886,741/-
2018	3,506,875,859/-

TRADE SUPPLIERS (FOREIGN)

Subject import globally from Companies belongs to European Countries, Taiwan, Singapore, Korea, Japan, Malaysia & U.A.E.

CUSTOMERS

Major customers are Food Manufacturing Companies, Beverages Manufacturers, Consumer Product Companies etc

IMPORTING COUNTRIES

Mainly from Korea, China, Singapore, Germany, Malaysia, Hong Kong, India & U.A.E.

BANKERS

- (1) Allied Bank Limited, Pakistan.
- (2) Bank Islami Pakistan Limited.
- (3) Habib Bank Limited, Pakistan.
- (4) Habib Metropolitan Bank Limited, Pakistan.
- (5) MCB Bank Limited, Pakistan.
- (6) Meezan Bank Limited, Pakistan.
- (7) Standard Chartered Bank (Pakistan) Limited, Pakistan.
- (8) United Bank Limited, Pakistan.
- (9) National Bank of Pakistan

MEMBERSHIPS

LCCI
FPCCI

COMMENTS

Synthetic Products Enterprises Limited (SPEL) is a part of SPEL Group which provides one stop shopping to customers for plastic products. Since 1978, SPEL has been known for its quality products and outstanding services. These qualities have allowed this family owned business to grow into a recognized and respected Injection Molding Company in Pakistan.

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

Analysis Done by :	VIV
Report Prepared by :	SDA

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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)