



Rating Action

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PACRA MAINTAINS ENTITY RATINGS OF PROSPERITY WEAVING MILLS LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained long term and short term entity ratings of Prosperity Weaving Mills Limited at 'A-' (single A minus) and 'A2' (A Two), respectively. These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings reflect PWML's sustained position in its key markets emanating from long standing business relationships, quality production process and effective control environment. Although, globally textile demand is undergoing rationalization due to fragile economic environment and changing consumption centres, Prosperity is enhancing export focus with intentions to capture relatively untapped segments while having major export markets in Asia. Meanwhile, financial risk is expected to remain manageable on account of a low leveraged capital structure and efficient working capital management.

About the company : Prosperity Weaving Mills Limited (PWML), incorporated in November 1991, is primarily engaged in production of apparel and home furnishing greige fabric and dyed yarn fabric of various widths and constructions (capacity: 340 air jet looms). The company is listed on Karachi and Lahore Stock Exchanges. PWML is majority owned by Nagina Group (NG), through key sponsoring individuals (57%) and group companies (30%). NG, also operating in the spinning business, has a collective capacity of 100,956 spindles.

PWML's board of directors, comprising seven members including the Managing Director (MD), is dominated by key sponsoring individuals. The company's MD, Mr. Shaukat Ellahi Shaikh, is a graduate of Columbia University and has been associated with PWML since its inception.

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