

## Business Information Report

\*\*\*Redacted\*\*\*

### **BASIC INFORMATION:**

Name	***Redacted***
Registered Address	Room No.32, 1st Floor, Ahmed Complex, Jinnah Road, Quetta.
Inquiry Address	11th Floor, G&T Tower, #18 Beaumont Road, Civil Lines - 10, Karachi - 75530 - Pakistan.
Telephone	+92 21 35659500-14
Fax	+92 21 35659549
Email	<a href="mailto:marketing@nova.com">marketing@nova.com</a>
Website	<a href="http://www.nova.com">www.nova.com</a>
Business	Subject Business is primarily engaged in Manufacturing and Exporting of Polyester Filament Yarn, Polyester Chips and PET Resin in Pakistan.

### **Registry Details**

CRO* Registration Number	0007766
Date of Registration	May 28, 1980.

### **Other Registry & Certification Details**

Current Legal Form	Public Limited Company
National Tax Registration Number	0710457-0
Date of Registration	January 20, 1996
GST* Registration Number	0601520000182
Date of Registration	July 14, 1992
Chamber of Commerce & Industry	Karachi Chamber of Commerce and Industry
CCI* Membership number	Not Available
ISO* Certifications	9001:2015,14001:2015
Other Memberships	Not Available

### **Capital**

Type	No. of Shares	Par Value (PKR*)	Total Value (PKR*)
Authorized	95,000,000	10/-	Rs. 950,000,000/-
Issued, Subscribed & Paid-Up	38,364,480	10/-	Rs. 383,644,800/-

## History

Who started	Not Disclosed
When started	1980
Change in management	Not Disclosed
Year of change	Not Disclosed

## **PRINCIPALS (SPONSORS)**

Name	CNIC No.	Nationality	Appointment Date (Last)
Haji Haroon Bilwani	4220107148125	Pakistani	December 24, 2020
Mr. Abdul Razak Diwan	4220159758221	Pakistani	December 24, 2020
Mr. Zakaria Bilwani	4220129455933	Pakistani	December 24, 2020
Mr. Usman Bilwani	4220149439549	Pakistani	December 24, 2020
Mr. Iqbal Bilwani	4230196525839	Pakistani	December 24, 2020

## **KEY MANAGEMENT**

Name	Position in organization	Qualification	Years in employment
Mr. Shabbir Diwan	CEO	Undetermined	Undetermined
Mr. Muhammad Yasin Bilwani	Company Secretary	Undetermined	Undetermined

Statutory offices	Name of service provider
Statutory Auditors	<b>M/s Kreston Hyder Bhimji &amp; Co.</b> -Chartered Accountants
Legal Advisory Services	<b>Mr. Naeem Ahmed Khan</b> <b>Advocate</b>

(Source: As per Search Report dated February 09,2022)

## **BANKERS:**

Name(s)	Credit Facility (in PKR*)
Faysal Bank Limited	Rs. 1,888,377,971
Meezan Bank Limited	Rs. 4,081,213,750
United Bank Limited	Rs. 2,315,789,474
Bank Al Habib Limited	Rs. 1,752,631,579
Dubai Islamic Limited	Rs. 98,447,198
HabibMetro Bank Limited	Rs. 108,480,000
As per SECP record: Search Report dated February 09,2022)	

## **DETAILS OF BUSINESS ACTIVITIES:**

® is a world-renowned brand of Polyester products and belongs to a group of companies, G&T-Gani & Tayub. The group is in business since 1948. These seven decades of operational excellence, experience and expertise have all formed a combined strength to empower the group as a leading

name in Polyester Filament Yarn, PET Resin (Bottle. Textile & Film Grade), PET Preforms. APET Sheets, Thermoforming Products and BOPET Films in Pakistan

We are also a preferred supplier for many global brands as we offer value to customers through high level of quality and reliability, which we have achieved through commitment and a strong focus on innovation and modernization throughout our supply chain.

To remain at the forefront of quality, innovation and cost competitiveness in the Manufacturing and Marketing of Polyester Filament Yarn, PET Preforms and other Polyester related products. To achieve corporate success while achieving this vision. To achieve the stated vision of the company with dynamism, business excellence with challenging spirit and flexibility. To serve the need of the customers by providing high quality products as per their requirement and to their ultimate satisfaction. To be a good employer by creating a work environment which motivates the employees and promotes team work to encourage the employees to pursue the fulfillment of the vision and mission of the Company. To seek long term good relations with suppliers, banks and financial institutions with fair and honest dealings. To play our role as a good corporate citizen through socially responsible behavior and through service of the community where we do business. To achieve the basic aim of benefiting shareholders and stake-holders while adhering to the above vision and mission.

**Purchases (Include Imports)**

Imports from	Not Disclosed
Importing terms	Not Disclosed
Local (%)	Not Disclosed
Local buying terms	Not Disclosed

**Sales (Include Exports)**

Exports to	Not Disclosed
Exporting terms	Not Disclosed
Local (%)	Not Disclosed
Local selling terms	Not Disclosed

**Number of Employees**

Nature of Employment	Current Year	Previous Year	Sources of Information
Permanent	Not Disclosed	Not Disclosed	Not Available
Continual			
<b>Total</b>	Not Disclosed	Not Disclosed	

**Facilities**

Registered Address	Room No.32, 1st Floor, Ahmed Complex, Jinnah Road, Quetta.
Inquiry Address	11th Floor, G&T Tower, #18 Beaumont Road, Civil Lines -10, Karachi - 75530 - Pakistan.

**OFFICES / LOCATIONS**

City	Address
Karachi, Sindh	Plot No. F/167, SITE, Karachi.
Karachi, Sindh	11 <sup>th</sup> Floor, G & T Tower, Civil Lines-10, Beaumont Road, Karachi.

Karachi, Sindh	Plot No. 283, SITE, Karachi.
Karachi, Sindh	Plot No 52, KPT Oil Installation Area, Kemari, Karachi.
Lahore, Punjab	102- M. Industrial Estate, Kot Lakhpat, Lahore.
Quetta, Baluchistan	Room No 32, 1 <sup>st</sup> Floor, Ahmed Complex, Jinnah Road, Quetta.
Hub, Baluchistan	Plot No 441/49 M-2, Sector M, H.I.T.E, Main RCD Highway, Hub.

## MARKET REPUTATION:

Name : <b><u>ABC (Pvt) Ltd</u></b>
Address: <u>Suite# 417, 4th Floor</u>
<u>Siddiq Trade Centre</u>
<u>72-Main Boulevard, Gulberg</u>
<u>Lahore Pakistan.</u>
Phone : <u>+92-306-855-5444</u>
Email : <u>Grace@Corporation.com</u>
Contact Person : <u>Mr. Ahsan Qamar</u>
<b>Mr. Ahsan Qamar, Officer</b> at <b>ABC (Pvt) Ltd.</b> confirmed the business relationship with the subject and its associated companies and stated that they have been working with the subject since many years and supplying equipment, spares, chemicals and various raw material at competitive prices. The contact person was reluctant to disclose his designation and any other information regarding the subject. As per inquiry, the market reputation of the subject is confirmed to be satisfactory.
Name : <b><u>ABC (Pvt.) Limited</u></b>
Address: <u>F-226, Near Labour Square S.I.T.E., Karachi, Pakistan</u>
Phone #: <u>+92 300 8260733</u>
Email : <u>mehran@hotmail.com</u>
Contact Person : <u>Mr. Shahid Mehmood</u>
<b>Mr. Shahid Mehmood, Director</b> at <b>ABC (Pvt.) Limited</b> , confirmed their business relationship with the subject company. They purchase PET resins & PET from <b>GIL</b> . They are satisfied with the company regarding all business aspects. They commented that the subject company is well committed and fair in business dealings. The term of payment is on credit of 15 to 30 days. No dispute or untoward incident was reported during inquiry.

## RELATED BUSINESSES:

Business Name	City	Line of Business	Percentile of Shareholding
Bounti Garments Industries (Private) Limited	Not Disclosed	Not Disclosed	Not Disclosed
Gani & Tayub (Private) Limited	Not Disclosed	Not Disclosed	Not Disclosed

Gatron Foundation	Not Disclosed	Not Disclosed	Not Disclosed
Novatex Limited	Not Disclosed	Not Disclosed	Not Disclosed
Novatex Power (Private) Limited	Not Disclosed	Not Disclosed	Not Disclosed

## FINANCIAL HIGHLIGHTS:

	Note	2021	2020
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, plant and equipment	5	7,498,060	5,215,939
Intangible assets	6	35,898	17,614
Long term investment	7	-	8,903,623
Long term loans	8	40	19
Long term deposits	9	2,847	3,229
		<b>7,536,845</b>	<b>14,140,424</b>
<b>Current Assets</b>			
Stores, spare parts and loose tools	10	1,215,414	1,013,495
Stock in trade	11	3,840,346	2,394,758
Trade debts	12	2,897,201	2,230,264
Loans and advances	13	82,857	87,875
Trade deposits and short term prepayments	14	154,193	42,746
Other receivables	15	335,766	140,499
Sales tax refund due from Federal Government	16	8,634	8,634
Cash and bank balances	17	1,493,170	1,135,360
		<b>10,027,581</b>	<b>7,053,631</b>
<b>TOTAL ASSETS</b>		<b>17,564,426</b>	<b>21,194,055</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	18	383,645	383,645
Capital reserve	19	383,645	383,645
General reserve	20	3,535,000	3,535,000
Unappropriated profit		3,378,345	8,836,672
		<b>7,680,635</b>	<b>13,138,962</b>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
Long term financing	21	2,840,439	1,174,783
Deferred liabilities and income	22	854,432	1,667,625
		<b>3,694,871</b>	<b>2,842,408</b>
<b>Current Liabilities</b>			
Trade and other payables	23	2,478,354	3,434,092
Unclaimed dividend		21,511	21,544
Accrued mark up	24	38,785	53,469
Short term borrowings	25	3,520,880	1,671,941
Current portion of long term financing	21	90,342	3,170
Provision for income tax less payments	26	39,048	28,469
		<b>6,188,920</b>	<b>5,212,685</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	27		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,564,426</b>	<b>21,194,055</b>

# Consolidated Statement of Profit or Loss

FOR THE YEAR ENDED JUNE 30, 2021

		(Rupees in Thousand)	
	Note	2021	2020
Sales	28	16,557,561	12,938,377
Cost of sales	29	14,254,055	11,873,344
<b>Gross profit</b>		<b>2,303,506</b>	<b>1,065,033</b>
Distribution and selling costs	30	210,284	172,446
Administrative expenses	31	289,381	295,864
Other operating expenses	32	159,612	104,079
		<b>659,277</b>	<b>572,389</b>
		<b>1,644,229</b>	<b>492,644</b>
Other income	33	910,479	75,387
<b>Operating profit</b>		<b>2,554,708</b>	<b>568,031</b>
Finance costs	34	127,645	206,479
		<b>2,427,063</b>	<b>361,552</b>
Share of profit after income tax in associated company	7.1	953,955	1,556,867
<b>Profit before income tax</b>		<b>3,381,018</b>	<b>1,918,419</b>
Income tax - Current & prior		243,987	389,740
- Deferred		135,920	78,680
	35	<b>379,907</b>	<b>468,420</b>
<b>Profit after income tax</b>		<b>3,001,111</b>	<b>1,449,999</b>
<b>Earnings per share - Basic and diluted ( Rupees )</b>	36	<b>78.23</b>	<b>37.80</b>

# Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2021

		(Rupees in Thousand)	
	Note	2021	2020
Profit after income tax		3,001,111	1,449,999
Other comprehensive income/(loss)			
<i>Items that will never be reclassified to profit or loss</i>			
Gain on remeasurement of defined benefit plan having nil tax impact	22.2	3,781	23,216
Share of other comprehensive income/(loss) of associate - net of tax			
Remeasurement gain/(loss) on defined benefit obligation		4,623	(2,919)
Unrealised gain/(loss) on remeasurement of investments		524	(5,085)
		<b>8,928</b>	<b>15,212</b>
<b>Total comprehensive income</b>		<b>3,010,039</b>	<b>1,465,211</b>

	Note	2021	2020
<b>Cash Flows (towards)/from Operating Activities</b>			
Profit before income tax		3,381,018	1,918,419
Adjustments for:			
Depreciation	5.3	659,817	523,094
Impairment of operating fixed assets	32	18,800	-
Property, plant and equipment - written off	32	45,084	-
Provision for defined benefit plan	22.2	49,374	63,962
Gain on disposal of property, plant and equipment	33	(20,529)	(71,338)
Loss on disposal of property, plant and equipment	32	35	900
(Reversal)/impairment allowance for ECL - net	12.6	(3,096)	45,499
Impairment allowance for slow moving stores, spare parts and loose tools-net	32	362	10,718
Remeasurement gain on discounting of provision for GIDC	33	(79,016)	-
Share of profit after income tax in associated company	7.1	(953,955)	(1,556,867)
Finance costs	34	127,645	206,479
		(155,479)	(777,553)
		<u>3,225,539</u>	<u>1,140,866</u>
(Increase)/decrease in current assets:			
Stores, spare parts and loose tools		(202,281)	(81,971)
Stock in trade		(1,445,588)	446,021
Trade debts		(663,841)	(747,202)
Loans and advances		6,539	(8,673)
Trade deposits and short term prepayments		(111,447)	23,103
Other receivables		(201,633)	106,803
Sales tax refund due from Federal Government		-	133,741
		(2,618,251)	(128,178)
Increase in Trade and other payables		(489,245)	(290,480)
Cash flows from operations before following		<u>118,043</u>	<u>722,208</u>
(Payments for)/receipts of:			
Long term loans		(1,542)	370
Long term deposits		382	(506)
Defined benefit plan	22.2	(14,340)	(6,171)
Finance costs		(142,329)	(161,594)
Income tax		(230,064)	(286,086)
Net cash flows (towards)/from operating activities		<u>(269,850)</u>	<u>268,221</u>
<b>Cash Flows (towards)/from Investing Activities</b>			
Additions in property, plant and equipment		(3,009,358)	(2,507,509)
Proceeds from disposal of property, plant and equipment	5.4	27,317	124,635
Additions in intangible assets	6	(18,284)	(17,614)
Dividend received from associated company	7	-	1,077,300
Net cash flows towards investing activities		<u>(3,000,325)</u>	<u>(1,323,188)</u>
<b>Cash Flows from/(towards) Financing Activities</b>			
Long term financing - proceeds received		1,780,008	1,051,413
Long term financing - repayment		(929)	-
Dividend paid		(33)	(1,049,872)
Net cash flows from financing activities		<u>1,779,046</u>	<u>1,541</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(1,491,129)</u>	<u>(1,053,426)</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>(536,581)</u>	<u>516,845</u>
<b>Cash and cash equivalents at the end of the year</b>	37	<u><u>(2,027,710)</u></u>	<u><u>(536,581)</u></u>

# Pattern of Shareholding

As on June 30, 2021

No. of Shareholders	From	Shareholdings To	Total Shares Held
312	1	100	17,212
609	101	500	279,595
202	501	1,000	128,629
60	1,001	5,000	120,196
4	5,001	10,000	26,873
1	10,001	15,000	14,300
1	15,001	20,000	15,100
1	30,001	35,000	33,641
1	45,001	50,000	46,000
1	65,001	70,000	70,000
1	100,001	105,000	101,000
1	110,001	115,000	115,000
1	125,001	130,000	126,000
1	175,001	180,000	176,545
1	190,001	195,000	190,504
1	195,001	200,000	200,000
1	200,001	205,000	200,626
1	225,001	230,000	229,880
3	235,001	240,000	717,585
3	240,001	245,000	720,585
1	285,001	290,000	287,750
1	290,001	295,000	294,045
5	350,001	355,000	1,770,465
1	365,001	370,000	369,093
1	395,001	400,000	400,000
1	490,001	495,000	491,033
2	495,001	500,000	1,000,000
1	500,001	505,000	500,500
1	505,001	510,000	509,093
2	570,001	575,000	1,144,612
1	585,001	590,000	587,558
1	630,001	635,000	630,320
1	805,001	810,000	807,154
1	1,095,001	1,100,000	1,099,926
1	1,170,001	1,175,000	1,170,245
1	1,325,001	1,330,000	1,327,932
1	1,390,001	1,395,000	1,393,067
1	1,500,001	1,505,000	1,504,100
1	1,520,001	1,525,000	1,520,565
1	1,545,001	1,550,000	1,547,048
1	1,620,001	1,625,000	1,620,387
1	1,925,001	1,930,000	1,925,057
1	2,705,001	2,710,000	2,706,451
1	2,805,001	2,810,000	2,808,070
1	3,460,001	3,465,000	3,463,370
1	3,955,001	3,960,000	3,957,368
1,238		Total	38,364,480

Categories of Shareholders	Share Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children.	9,528,982	24.84
Associated Companies, undertakings and related parties.	1,620,387	4.22
NIT and ICP	3,050	0.01
Banks Development Financial Institutions, Non Banking Financial Institutions.	6,272,930	16.35
Insurance Companies	200	0.00
Modarabas and Mutual Funds	Nil	Nil
Share holders holding 10%	4,466,461	11.64
General Public		
a. Local	15,781,981	41.14
b. Foreign	689,588	1.80
Others	901	0.00

**Pictures:**



**ANALYST’S COMMENTS:**

Contact person	Not Disclosed
Position / Designation	Guard
Contact Person’s Comments	He did not provide us neither qualitative nor quantitative information. He did not allow our analyst to enter business premises. Information was gathered through official website and other web searching.
Analyst’s Observations/ Comments	As per visit inquiry Office is located at 11th Floor, G&T Tower, #18 Beaumont Road, Civil Lines - 10, Karachi - 75530 - Pakistan.  Sign board was found placed at the office gate. Employees were seen busy in their routine tasks.

	<p>The contact person did not provide us any information regarding the subject company.</p> <p>The company was incorporated in the year 1980 as a Limited Company, and registered with tax authorities (FBR) in 1996; this has also been verified from SECP and FBR online record.</p> <p>No documentary proof was provided, hence, all information has been gathered from online searching, SECP/FBR online record and our database.</p> <p><b><u>Credit Assessment</u></b>  <b>Current Rating: B</b>  <b>Credit Rating / Limit additional comments:</b></p> <table border="1" data-bbox="678 689 1460 958"> <thead> <tr> <th colspan="2">Rating Explanation</th> </tr> </thead> <tbody> <tr> <td></td> <td><b>A</b> Good Credit Worthiness (Low Risk)</td> </tr> <tr> <td></td> <td><b>B</b> Satisfactory Credit Worthiness (Adequate Risk)</td> </tr> <tr> <td></td> <td><b>C</b> Average Credit Worthiness (Moderate Risk)</td> </tr> <tr> <td></td> <td><b>D</b> High Risk</td> </tr> <tr> <td></td> <td><b>E</b> Very High Risk</td> </tr> </tbody> </table>	Rating Explanation			<b>A</b> Good Credit Worthiness (Low Risk)		<b>B</b> Satisfactory Credit Worthiness (Adequate Risk)		<b>C</b> Average Credit Worthiness (Moderate Risk)		<b>D</b> High Risk		<b>E</b> Very High Risk
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<b>Date</b>	<b>September 13,2022</b>												

**\*ABBREVIATIONS:**

GST: General Sales Tax

CCI: Chamber of Commerce & Industry

ISO: International Organization for Standardization

PKR: Pakistani Rupees

**Disclaimer:**

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