



Rating Action

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PACRA UPGRADES RATINGS OF PROSPERITY WEAVING MILLS LIMITED

The Pakistan Credit Rating Agency (PACRA) has upgraded the long-term entity rating of Prosperity Weaving Mills Limited to “A-” (Single A minus), whereas the short-term entity rating has been maintained at “A2” (A Two). 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 significantly improved business risk profile, emanating from a combination of factors including demand supply equilibrium in key markets of the company. Moreover, the company is taking significant steps on both production and marketing fronts to consolidate, indeed further fortify, its market position in these markets. Meanwhile, PWML's financial profile is expected to remain manageable.

About the company:

Prosperity Weaving Mills Limited (PWML), incorporated in November 1991, is primarily engaged in the production of apparel and home furnishing greige fabric and dyed yarn fabric of various widths and contractions (capacity: 324 air jet looms). The company is listed on Karachi and Lahore Stock Exchanges. PWML is majority owned by Nagina Group (NG), through group companies (53%) and key sponsoring individuals (35%). NG comprises three public limited companies and five private limited companies. The public limited companies, listed on both major bourses in Pakistan, include PWML, Nagina Cotton Mills Limited (spindle capacity: 46,428) and Ellcot Spinning Mills Limited (spindle capacity: 54,528).

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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