



**Rating Action**

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**PACRA MAINTAINS ENTITY RATINGS OF NISHAT MILLS LIMITED**

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term entity rating at ‘A+’ (Single A Plus) and the short-term rating at ‘A1’ (A One) of Nishat Mills Limited (NML). These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings reflect NML’s ability to sustain its leading position as a textile composite unit of the country. The diversified array of the company’s product portfolio, extensive market outreach and stable customer base have helped the company to maintain its margins through subdued socio-economic conditions in the national and international markets. The rating also incorporates NML’s strong risk absorption capacity, emanating from its low leveraged capital structure and robust operating cashflows. Meanwhile, association of the company with Nishat Group as its flagship company is also a key rating factor.

**About the company:** NML, established in 1951, is the single largest textile composite and a leading exporter of textile products in the country. Nishat Group a leading conglomerate with interests in textile, cement, energy and financial sectors owns majority (~51%) holding in the company through family members (Mansha family) and associated concerns – mainly D.G Khan Cement Company Limited.

NML has a seven member board of directors including the Chief Executive Officer. The CEO, Mr. Umer Mansha, holds the office of chairman unlike generally accepted principles of corporate governance. With the exception of one member, who is a nominee of NIT, the other members of the board are senior executives in group companies.

The company has an experienced and qualified management team. Moreover, the quality of systems and processes in place is also sound.

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