

Case study of nishat group

Business



It also has the distinction of Ewing one of the largest players in each sector. The Group has a remarkable position in the market as good as any multinationals operating locally in terms of its quality of products, services and management skills. In financial services the group owns Muslim Commercial Bank and Dammed Insurance Group, In textiles they own Insist Textiles and In Cement they own G Cement. His wife manages Insist Textiles and his son Is managing the G Cement.

Milan Muhammad Mans is the chairman of Insist Group.

He Is a prominent Industrialist and entrepreneur of the country. He Is considered to be the mall driver behind the phenomenal success of this group. Main Muhammad Mans Main Muhammad Mans was born in Lahore to a wealthy Chining family, his privileged upbringing allowed him to enjoy an early business education at top university in London. His father died in 1969, Mans then 22 negotiated with his uncles for Insist textiles mills located in Basilicas and sacrificed financial stake on factories located in East Pakistan.

At that point in history he was known in the family as a weak negotiator who could not stand for his due rights.

In 1971 his uncles lost all their properties when Bangladesh was created, his critics In the family were stunned by is long term balloon. Mans became CEO of Insist Mills, which today has the nation's largest textile processing and sewing faceless and has several top American brands like Gap Inc. And Sears Holding Corp.. As customers.

As Mans grew as a textile entrepreneur, Pakistanis banking industry was in government hands.

Banks were facing huge losses because of bad loans to politicians. It was decided by the ruling Government that state run Banks will be privatized. Mans and 11 other entrepreneurs formed National Group in 1991, which won the right to acquire Muslim Commercial Bank, today's MAC. Their bid was the third highest of five. Even so, Nazi Shari's government chose it as a winner.

Mans recalls the incident clearly. " When we bid for this bank, somebody else also bid much higher than us, a person with dubious reputation," he says, without naming anyone. He probably had no genuine intent. He just wanted us not to buy the Bank and disrupt the process . " Mans says he has ties to Nazi Shari. " People think that we bought a lot of things during Nazi Shari's time and that I am very close to him," he says.

" I have never met Nazi Shari, one to one, in my life. I have never met Mr. Gizzard in my life more than at one wedding. I never met Bendable Boonton. I have never dreaded anyone.

" When MAC Bank was readying the sale of \$1 50 million of global depositary receipts in June 2006, the Karachi index tumbled to a seven-month low.

Top executives of MAC has urged postponing the sale. Mans pushed ahead, saying the drop would be temporary. The bank got offers for \$707 million of shares, more than quadruple the amount available. At MAC, Mans made decisions that sometimes went against his executives' advice, says Afraid Khan, director for equities at Credit Issue Pakistan Ltd.

“ Maybe it’s his intuition, his vision, maybe his good luck, but one learns to respects his decision-making ability,” Khan says. Mans can be ruthless, according to one analyst.

With MAC, “ after he got control, he didn’t spare even friends and family who were defaulters,” He even turned down a loan request from a childhood friend, which strained their relationship. In 2007, MAC chief executive and president, Muhammad Aaft Amazons, who had been at the top position of the bank for seven years was fired and given 24 hours’ notice to pack his bags and leave”. This created lot of ensign in the Bank because lot of people felt that Aaft Amazons was fired for resisting sale of shares of MAC to foreign banks. Mans monitors each Insist Group company by talking with 20-30 managers a few minutes every day.

IOW could be hanging from a thread Off cliff, and he’ll let you be, but he won’t let you fall,” says Aamed Changer, a nephew of Manama’s who oversees Insist Mills’ textile business as executive director. The boss knows the bottom line by staying in touch through random calls. “ A bad month or a good month, he doesn’t have to be told,” Changer says. “ He knows exactly what’s coming. Mans says he personally makes key strategic decisions, such as choosing to sell the MAC Bank stake of 20% too state- controlled lender in Malaysia rather than to the public companies in Europe the bank had considered.

Overnight, the deal turned MAC into a big player in the fast-growing Islamic banking and Islamic finance markets – key areas of growth for Mans and his flagship lender. But that is just the start. With the backing of Moneybag’s

extra capital and Islamic finance skills – and with many lenders under the coos because of the credit squeeze – Mans and MAC are aggressively pursuing undervalued foreign banking assets. Alongside Mbabane we are putting together a business strategy that will expand our customer base in many countries – Russia, central Asia, the Middle East and Africa,” says Mans. We are even looking at acquiring a bank in either of Europe or the US.

We intend to buy a bank in Indonesia. Mbabane has more capital and better technology but we have 7.5 million Pakistani expatriates living all over the world, and we have already applied for a banking license in Toronto. We have a budget of around \$1 billion to buy a bank as far field as Brazil, and we are looking at potential banking acquisition possibilities in the likes of Astrakhan.

Main Muhammad Mans had to face lot of violence and security issues at the time of taking over G Khan cement factory, he was even fired at while visiting the factory from a close range he miraculously escaped the killing attempt. Instead of being scared he decided to open up Jobs for the local people, started a school and hospital for the local people.

This reduced lot of security issues in the area and resentment against him also subsided. Easel Edith a famous trader in stock market says “ Insist Group is one of the best-run groups in Pakistan. Manama’s wider ambitions for his group is in from power production to agriculture. The future of the world will Delano to whenever can nearness energy Ana Toot,” says Mans, win So Eden buying land for a new business of large-scale farming.

Agriculture is the biggest Job source for Pakistanis, accounting for 44 percent

of the labor force and 21 percent of GAP in 2007. If yields of major crops wheat, sugar cane, cotton and rice match Egypt in five years, Pakistan may add 1 1.

5 percentage points to its annual agricultural GAP growth and 2. Points to total GAP growth. Insist Group has grown during six decades of turbulence. If Mans can expand with the economy in humbles and a new government struggling with violence and corruption, he may provide a model to help Pakistanis companies like their neighbors in India move onto the world stage. Yet Mans remains upbeat. “ I’m very optimistic about Pakistanis future,” he says.

“ There are external problems afflicting us but there are lots of misconceptions about the country. He believes the best way to pull Pakistan from terrorism, and to boost a slow economy, is to create more Jobs and prospects for young people by throwing open its borders, particularly those with India. “ I say let them India come and invest with us. I’m one of the few Pakistani entrepreneurs who believes the best way to expand is to open our borders with India. There are people here, who are afraid of competition from over there, but our ports are cheaper for them at least – we have ports that are much quicker, with better infrastructure, and much cheaper, than India.

We need a bigger market and more competition and they need the same. ” Taft Baja, President and CEO of MAC reportedly has declined to take another term with MAC in July 2010 amid a noise in the market that the Mr.. Mans is not happy with large losses (RSI. 5 billion) that the bank is incurring on consumer financing. For the interim period a retired banker M.

A. Susan' has been given the position, while there are reports that the board might opt for an internal promotion from within the bank.

Mans stated that he prefers conventional approach on the financial sector and would not encourage extremely aggressive strategies on this sector as bankers need to be careful as they handle the depositors' money. High profile US delegation led by David Lipton, senior economic advisor of President Obama met Mans in his office in the June 2010 and discussed how US can contribute in the development of the country and its infrastructure. The delegation discussed the possibilities of opening state of Art University in collaboration with Insist group also.

Mans has proceeded to venture into new terrain, executing deals with state-owned WPAD (Water and Power Distribution Authority) to sell excess power capacity installed at Night's various facilities.

This led to the founding of Insist Power, which is now going from strength to strength his son Assam Mans also laying important part in his decisions. Insist group acquired AES Ala PRI and AES Pack Gene from AES Corporation of USA. This particular transaction was cellared as the best ' Project Finance Deal-Asia' by ' The Asset' in December 2009.

AES Ala PRI and Pack Gene are power plants located in Macrograph and were established in late 1990 under 1994 IPP Policy. The generation capacity of these two units is 727 MM. The technology used is state of the art steam turbine technology.

The acquired plants are managed, controlled and run by an excellent and dedicated team of professionals. In this acquisition Insist Group and Associates own 50 per cent of the shares whereas ABA Dhabi Investment Council (DYADIC) which is owned by the Government of ABA Dhabi acquired 30 per cent and City School 20 per cent.