Early Warning System

IFC-45445

Khaadi Corporation SMC Pvt Ltd

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Quick Facts

Countries	Pakistan
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2021-12-31
Borrower	KHAADI SMC PVT. LTD.
Sectors	Infrastructure
Investment Type(s)	Equity
Investment Amount (USD)	$ 25.00 million
Project Cost (USD)	$ 25.00 million

Project Description

According to IFC documents, the proposed investment is a convertible preference shares (CPS) for up to PKR 4 billion (equivalent $25 million), at the Khaadi's holding level (i.e. Khaadi Corporation SMC Pvt Ltd, "Khaadi" or the "company"). The new equity will help grow Khaadi's retail operations by expanding and optimizing existing retail space, adding stores in strategic locations in tier II and III cities across Pakistan, accelerate global online sales and expand the international store network.The proceeds from the investment will be used to support store expansions in the next 5 years, fund working capital requirements and reduce short term debt. Khaadi's retailing operations currently include the following:1) 62 retail stores/outlets in over 25 cities in Pakistan; the expansion plan is to double the number of stores nationally;2) One dining facility (KANTEEN / K-Kitchen) in Pakistan.

The plan is to reopen in due course and expand dining facilities in Pakistan;3) One warehouse in Karachi;4) "Art of Weaving" division with workshops that produces handwoven products for Khaadi's retail stores;5) 14 retail stores in the United Kingdom, United Arab Emirates, Qatar and Bahrain. Current expansion plan is to maintain 15% of the business outside of Pakistan.

Investment Description

- International Finance Corporation (IFC)

The total project cost is estimated at approximately US$25 million. The proposed IFC investment includes a quasi-equity investment via convertible preference shares for up to US$25 million for IFC’s own account.

Contact Information

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You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Bank Documents

- Environmental and Social Review Summary