

EL HELAL CO FOR KNITTING DYEING & READYMADE GARMENTS - 527337 PAGE NO. : 1

MIRA INFORM REPORT

Report No. :	527337
Report Date :	31.08.2018

IDENTIFICATION DETAILS

Name :	EL HELAL CO FOR KNITTING DYEING & READYMADE GARMENTS
Registered Office :	Misr Textile Industrial Zone, Kafr El Dawar Beheira
Country :	Egypt
Financials (as on) :	31.12.2017
Date of Incorporation :	01.01.2009
Com. Reg. No.:	16708
Legal Form :	Limited Liability Partnership
Line of Business :	Subject is engaged in the manufacture, knitting and dyeing of tricot
No. of Employees :	150

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Egypt	C1	B2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

EGYPT - ECONOMIC OVERVIEW

Occupying the northeast corner of the African continent, Egypt is bisected by the highly fertile Nile valley where most economic activity takes place. Egypt's economy was highly centralized during the rule of former President Gamal Abdel NASSER but opened up considerably under former Presidents Anwar EL-SADAT and Mohamed Hosni MUBARAK. Agriculture, hydrocarbons, manufacturing, tourism, and other service sectors drove the country's relatively diverse economic activity.

Despite Egypt's mixed record for attracting foreign investment over the past two decades, poor living conditions and limited job opportunities have contributed to public discontent. These socioeconomic pressures were a major factor leading to the January 2011 revolution that ousted MUBARAK. The uncertain political, security, and policy environment since 2011 has restricted economic growth and failed to alleviate persistent unemployment, especially among the young.

In late 2016, persistent dollar shortages and waning aid from its Gulf allies led Cairo to turn to the IMF for a 3-year, \$12 billion loan program. To secure the deal, Cairo floated its currency, introduced new taxes, and cut energy subsidies - all of which pushed inflation above 30% for most of 2017, a high that had not been seen in a generation. Since the currency float, foreign investment in Egypt's high interest treasury bills has risen exponentially, boosting both dollar availability and central bank reserves. Cairo will need to make a sustained effort to implement a range of business reforms, however, to induce foreign and local investment in manufacturing and other labor-intensive sectors.

Source : CIA

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SUMMARY

Company Name	: EL HELAL CO FOR KNITTING DYEING & READYMADE GARMENTS
Country of Origin	: Egypt
Legal Form	: Limited Liability Partnership
Registration Date	: 1 st January 2009
Commercial Registration Number	: 16708, El Beheira
Tax Card Number	: 310-820-138
Issued Capital	: £E 2,000,000
Paid up Capital	: £E 2,000,000
Total Workforce	: 150
Activities	: Manufacture, knitting and dyeing of tricot
Financial Condition	: Fair
Payments	: Nothing detrimental uncovered
Operating Trend	: Steady

COMPANY NAME

EL HELAL CO FOR KNITTING DYEING & READYMADE GARMENTS

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Location : Misr Textile Industrial Zone, Kafr El Dawar
Town : Beheira
Country : Egypt
Telephone : (20-45) 2246999
Facsimile : (20-45) 2246996
Email : info@elhelal-egypt.net

Premises

Subject operates from a large suite of offices and a factory that are rented and located in the Industrial Area of Beheira.

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
• Mohamed Ibrahim Abdul Fattah	Managing Partner
• Khaled Shaaban	General Manager
• Hamdy Al Ansari	Export Manager
• Mohamed Anwar	Financial Manager

LEGAL FORM & OWNERS

Date of Establishment : 1st January 2009

Legal Form : Limited Liability Partnership

Commercial Reg. No. : 16708, Beheira

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Tax Card No. : 310-820-138

Issued Capital : £E 2,000,000

Paid up Capital : £E 2,000,000

Name of Partners

- Mohamed Ibrahim Abdul Fattah
- Members of Mr Mohamed Ibrahim Abdul Fattah's family

AFFILIATED COMPANIES

- El Helal Knitting Factory
Ezbet Salam, Kobry El Namous, Bakous
Moharam Bey
Alexandria
Tel: (20-3) 5033340 / 5028495
Fax: (20-3) 5022409

OPERATIONS

Activities: Engaged in the manufacture, knitting and dyeing of tricot.

Operating Trend: Steady

Subject has a workforce of approximately 150 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Egyptian Pounds (EGP)

Year	Sales
Year Ending 31/12/16:	EGP 15,900,000
Year Ending 31/12/17:	EGP 16,380,000

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Local sources consider subject's financial condition to be Fair.

Note: According to Egyptian Commercial Law, only Joint Stock Companies SAE (Listed on the Stock Market) are required to publish their financial information. Financial information on other legal forms can only be obtained from the companies / businesses directly

BANKERS

- Industrial Development & Workers Bank of Egypt
9 El Fawatem Street
Alexandria 21521
Tel: (20-3) 4848204
Fax: (20-3) 4848203

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

SANCTION LIST CHECKS

The subject and its shareholders have been checked in the following sanctions list databases:

<u>Sanctions list</u>	<u>Results</u>
United Nations Sanctions	No matches
Australian Sanctions	No matches
Bureau of Industry and Security (US)	No matches
EU Financial Sanctions	No matches
Office of the Superintendent of Financial Institutions (Canada)	No matches
OFAC - Specially Designated Nationals (SDN)	No matches
UK Financial Sanctions (HMT)	No matches
US Consolidated Sanctions	No matches

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GENERAL COMMENTS

During the course of this investigation the following sources were consulted:

- Internal database
- Journals, directories, media & web searches
- Local Registry office

During the course of this investigation nothing detrimental was uncovered regarding subject's operating history or the manner in which payments are fulfilled. As such the company is considered to be a fair trade risk.

COUNTRY OUTLOOK

Recent Developments

The first quarter of FY17 (July to June) marked a slowdown in growth recording 3.4 percent compared to 5.1 percent in the same quarter last year, with annual growth in FY16 registering 4.3 percent. Growth was constrained by severe shortages in hard currency, an overvalued exchange rate and sluggish growth in Europe, Egypt's main trading partner. Key sectors continue to experience negative growth, particularly tourism and the oil and gas extractives sector that has been suffering from underinvestment and arrears.

The annual fiscal deficit in FY16 increased to 12.1 percent of GDP, up from 11 percent the year before. However, in the first half of FY17 the deficit declined to 5.4 percent of GDP, down from 6.4 percent in the same period last year. The improvement in the first half is solely driven by a decline in total expenditures, which compensates for a drop in total revenues. Lower expenditures were driven by a decrease in subsidies and public wages as a percentage of GDP.

The most recent data for the first quarter of FY17 show an overall surplus in the balance of payments of 0.5 percent of projected GDP, compared to a deficit of 1 percent during the same period of the previous year. The improvement in external accounts was mainly due to the narrowing trade deficit induced by an increase in merchandise exports (by 11.2 percent) and a decline in merchandise imports (by 4.8 percent). Meanwhile, Suez Canal receipts further deteriorated by 4.8 percent and net private transfers also declined by 21.8 percent. As a result, the current account deficit widened to 1.4 percent of GDP compared to 1.1 percent in the same quarter of the previous year. More positively, FDI inflows increased to US\$1.9 billion over the same period, up from US\$1.4 billion the previous year.

To stimulate growth and address major macroeconomic imbalances, the government embarked on a major economic reform program. The key features include (i) the liberalization of the exchange rate regime; (ii) fiscal consolidation through a combination of expenditure and revenue measures, notably cuts in fuel subsidies, containment of the wage bill and introduction of VAT; and (iii) reforms to the business environment and addressing impediments to industrial activity.

The reform program was supported by an IMF Extended Fund Facility of US\$12 billion which contributes to cover Egypt's financing needs, the rest of which has been covered through disbursements under the World Bank, the African Development Bank and a number of bilateral loans, in addition to a recent issuance of Eurobonds in the amount of US\$4 billion. Following the floatation, the exchange rate displayed strong overshooting (hitting its

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Real GDP Growth (%)	2.9	4.4	4.3	3.9	4.6	5.3
Inflation Rate (%)	10.1	10.4	10.2	20.1	14.2	11.3
Current Account Balance (% of GDP)	-0.9	-3.8	-6.1	-5.5	-4.4	-3.8
Fiscal Balance (% of GDP)	-11.5	-11.0	-12.1	-10.5	-9.2	-7.3

* forecast

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.73
UK Pound	1	INR 92.15
Euro	1	INR 82.72
EGP	1	INR 3.98

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	TRU

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)