

MIRA INFORM REPORT

Report No. :	542834
Report Date :	07.12.2018

IDENTIFICATION DETAILS

Name :	MEMON BROTHERS
Registered Office :	A-1/G-2, S.I.T.E., Karachi
Country :	Pakistan
Financials (as on) :	2016 [Summarized]
Date of Incorporation :	1995
Legal Form :	Proprietorship
Line of Business :	Import & Trading of Adhesive Glues & Sealants, Industrial Chemicals, Textile Chemicals, Dyes & Pigments.
No. of Employees :	About 22

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 :	Slow & Delayed
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 (30.06.2018)	Current Rating (30.09.2018)
Pakistan	B1	B1

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

PAKISTAN - ECONOMIC OVERVIEW

Decades of internal political disputes and low levels of foreign investment have led to underdevelopment in Pakistan. Pakistan has a large English-speaking population, with English-language skills less prevalent outside urban centers. Despite some progress in recent years in both security and energy, a challenging security environment, electricity shortages, and a burdensome investment climate have traditionally deterred investors. Agriculture accounts for one-fifth of output and two-fifths of employment. Textiles and apparel account for more than half of Pakistan's export earnings; Pakistan's failure to diversify its exports has left the country vulnerable to shifts in world demand. Pakistan's GDP growth has gradually increased since 2012, and was 5.3% in 2017. Official unemployment was 6% in 2017, but this fails to capture the true picture, because much of the economy is informal and underemployment remains high. Human development continues to lag behind most of the region.

In 2013, Pakistan embarked on a \$6.3 billion IMF Extended Fund Facility, which focused on reducing energy shortages, stabilizing public finances, increasing revenue collection, and improving its balance of payments position. The program concluded in September 2016. Although Pakistan missed several structural reform criteria, it restored macroeconomic stability, improved its credit rating, and boosted growth. The Pakistani rupee has remained relatively stable against the US dollar since 2015, though it declined about 10% between November 2017 and March 2018. Balance of payments concerns have reemerged, however, as a result of a significant increase in imports and weak export and remittance growth.

Pakistan must continue to address several longstanding issues, including expanding investment in education, healthcare, and sanitation; adapting to the effects of climate change and natural disasters; improving the country's business environment; and widening the country's tax base. Given demographic challenges, Pakistan's leadership will be pressed to implement economic reforms, promote further development of the energy sector, and attract foreign investment to support sufficient economic growth necessary to employ its growing and rapidly urbanizing population, much of which is under the age of 25.

In an effort to boost development, Pakistan and China are implementing the "China-Pakistan Economic Corridor" (CPEC) with \$60 billion in investments targeted towards energy and other infrastructure projects. Pakistan believes CPEC investments will enable growth rates of over 6% of GDP by laying the groundwork for increased exports. CPEC-related obligations, however, have raised IMF concern about Pakistan's capital outflows and external financing needs over the medium term.

Source : CIA

BUSINESS NAME

MEMON BROTHERS

FULL ADDRESS

Registered Address

A-1/G-2, S.I.T.E., Karachi, Pakistan

Tel # 92 (21) 32433034, 32423412

Fax # 92 (21) 32413252

SHORT DESCRIPTION OF BUSINESS

- | | | |
|----|--------------------|---|
| a. | Nature of Business | Import & Trading of Adhesive Glues & Sealants,
Industrial Chemicals, Textile Chemicals, Dyes &
Pigments |
| b. | Year Established | 1995 |

BRANCHES

MR-4/26, Ali Akber Street,
Off: Rampart Row, Karachi,
Pakistan

LEGAL STATUS

Subject Company was established as a Proprietorship business in 1995

DETAILS OF MANAGEMENT

Names	Nationality	Address	Occupation	Designation
Mr. Altaf Abdul Ghaffar	Pakistani	MR-4/26, Ali Akber Street, Off: Rampart Row, Karachi	Business	CEO / Proprietor

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BUSINESS ACTIVITIES

Subject Company is engaged in import & trading of Adhesive Glues & Sealants, Industrial Chemicals, Textile Chemicals, Dyes & Pigments.

It purchases against L/C, D/P basis to its trade suppliers globally.

It sells against cash term basis to its domestic customers.

Its import globally from Companies belongs to European Countries, China, Singapore, Korea, Taiwan, Malaysia, India & U.A.E.

Its major customers are Private Companies, Traders, Industrial Organizations etc

Subject operates from owned office premises situated at commercial & industrial centers of Karachi.

Subject employs about 22 persons in its set up.

ANNUAL SALES VOLUME

Years	In Pak Rupees
2015	60,000,000/- (Estimated)
2016	70,000,000/- (Estimated)

TRADE SUPPLIERS (FOREIGN)

Subject import globally from Companies belongs to European Countries, China, Singapore, Korea, Taiwan, Malaysia, India & U.A.E.

BANKERS

United Bank Limited, Pakistan.
Bank Al-Habib Limited, Pakistan.
Allied Bank Limited, Pakistan.
Meezan Bank Limited, Pakistan.

MEMBERSHIPS

Karachi Chamber of Commerce & Industry.(KCCI)
Federation Pakistan Chamber of Commerce & Industry.(FPCCI)

COMMENTS

Subject Company was established in 1995 and is engaged in import & trading business. Overall reputation is normal. Trade relations are reported as slow and delayed. In view of current disturbed economic and political situation, we would advise to deal with all the business in Pakistan with some caution.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.04
UK Pound	1	INR 90.30
Euro	1	INR 80.55
PKR	1	INR 0.51

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	TPT

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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)