

MIRA INFORM REPORT

Report No. :	545748
Report Date :	24.12.2018

IDENTIFICATION DETAILS

Name :	PROCON ENGINEERING (PRIVATE) LIMITED
Registered Office :	54 - Darul Aman Co-operative Housing Society, Shahrah-E-Faisal, Karachi
Country :	Pakistan
Financials (as on) :	2017-Estimated [Summarized]
Date of Incorporation :	1988
Com. Reg. No.:	0018460
Legal Form :	Private Limited Company
Line of Business :	Manufacture & Sale of all types of Automotive Car Seats & Automotive Parts
No. of Employees :	312

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

Maximum Credit Limit :	USD 1,203,801.15
Status :	Satisfactory
Payment Behaviour :	Slow & Delayed
Litigation :	Clear

NOTES :

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

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

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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

PROCON ENGINEERING (PRIVATE) LIMITED

FULL ADDRESS

Registered Address

54 - Darul Aman Co-operative Housing Society, Shahrah-e-Faisal, Karachi, Pakistan

Tel # 92 (21) 34389515, 34389516

Fax # 92 (21) 34541974

Email proconpk@super.net.pk

SHORT DESCRIPTION OF BUSINESS

- | | | |
|----|--------------------|--|
| a. | Nature of Business | Manufacture & sale of all types of Automotive Car Seats & Automotive Parts |
| b. | Year Established | 1988 |
| c. | Registration # | 0018460 |

FACTORY LOCATION

Address D-54 To D-57, N.W.I. Zone, Port Qasim Authority, Karachi, Pakistan

Tel # 92 (21) 34720026, 34720031

Fax # 92 (21) 34720032

AUDITORS

Rao & Company
(Chartered Accountants)

LEGAL STATUS

Subject Company was established as a Private Limited Company in 1988

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AUTHORISED CAPITAL	Rs. 50,000,000/- divided into 500,000 shares of Rs. 100/- each
ISSUED & PAID UP CAPITAL	Rs. 30,000,000/- divided into 300,000 shares of Rs. 100/- each

DETAILS OF DIRECTORS

Names	Nationality	Address	Occupation	Designation
Mr. Nadeem Malik	Pakistani	Plot # 75, Khayaban-e-Shaheen, Phase VI, D.H.A., Karachi	Business	Chief Executive
Mr. Naveed Malik	Pakistani	House # 126-Y, Street # 18, DHA, Karachi	Business	Director
Mr. Najeeb Malik	Pakistani	Plot # 321, Block K, Phase 1, Lahore Cantt, Co-operative Housing Society, Lahore	Business	Director

SHAREHOLDERS

Names	No. of Shares
Mr. Nadeem Malik	100,000
Mr. Naveed Malik	01
Mr. Najeeb Malik	01
Najeeb Holding (Pvt) Limited, Pakistan	99,999
N M Holding (Pvt) Limited, Pakistan	99,999

ASSOCIATED COMPANIES

(1) Master Chemical Ltd, Pakistan.

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- (2) Master Enterprises (Pvt) Ltd, Pakistan.
- (3) Master Polymers Industries Ltd, Pakistan.
- (4) Master Textile Ltd, Pakistan.
- (5) Master Celeste (Pvt) Ltd, Pakistan.
- (6) Master Foam (Pvt) Ltd, Pakistan.
- (7) Master Motor Corporation Ltd, Pakistan.
- (8) Master OffiSys (Pvt) Ltd, Pakistan.
- (9) Master Synthetics (Pvt) Limited, Pakistan.

PRODUCTS

All types of Automobile seats, Sports car seats for Export, Reclining Mechanism with Side Assembly, Automotive fabrics, Roof headlining (moulded, suspended & perforated types), Door Trim (Moulded & Flate Types), Steering wheels (PU-Type), Rear Package Tray, Sun Visors, Fender Liner / Engine Under Cover, Sheet Metal / Body Parts, Armrest, Floor Mats, Wiring Harness, Cargo Deck, Chassis Frame

NUMBER OF EMPLOYEES

312

ANNUAL SALES VOLUME FOR 2017 (IN PAK RUPEES)

PKR 3,350,000,000/- (Estimated)

PRODUCTION CAPACITY

6,500 seats in a month on a single shift basis, Procon have the capability to fulfill any requirements for car seats or interior.

TRADE SUPPLIERS (FOREIGN)

- (1) T.C.H. SUMINOE CO. LTD, THAILAND.
- (2) HONDA TRADING (THAILAND) CO., THAILAND.
- (3) INOAC INTERNATIONAL CO. LTD, JAPAN.

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EXPORTING COUNTRIES

Mainly to European Countries & Asian Countries

CUSTOMERS

Procon supplies finished products of high quality to car, truck, bus, motorcycle, pickup & tractor manufacturers like Suzuki, Toyota, Honda, Nissan, Hyundai, Kia Motors, Daihatsu, Hino, Nissan Diesel, Volvo, Honda Motorcycle, Yamaha Motorcycle, Suzuki Motorcycle, Millat Tractor & Al-Ghazi Tractors

BANKERS

- (1) Bank Al-Habib Limited, Pakistan.
- (2) Askari Bank Limited, Pakistan.
- (3) Bank Alfalah Limited, Pakistan.
- (4) Meezan Bank Limited, Pakistan.
- (5) Habib Bank Limited, Pakistan.

FINANCIAL POSITION

Sound

MARKET REPUTATION

Satisfactory

MEMBERSHIPS

Karachi Chamber of Commerce & Industry.(KCCI)
Federation Pakistan Chamber of Commerce & Industry.(FPCCI)
Pakistan Association of Automotive Parts & Accessories Manufacturers.(PAAPAM)

COMMENTS

Subject Company was established in 1988 and is engaged in manufacture & sale of all types of Automotive Car Seats & Automotive Parts. Group market reputation is good. 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 70.04
UK Pound	1	INR 88.70
Euro	1	INR 80.21
PKR	1	INR 0.50

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

INFORMATION DETAILS

Analysis Done by :	DIV
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)