

## MIRA INFORM REPORT

Report No. :	537483
Report Date :	03.11.2018

### IDENTIFICATION DETAILS

Name :	UNITED FOAM INDUSTRIES (PVT) LIMITED
Registered Office :	16 K.M., Multan Road, Lahore
Country :	Pakistan
Financials (as on) :	2017 (Summarized)
Date of Incorporation :	1976
Com. Reg. No.:	0005133
Legal Form :	Private Limited Company
Line of Business :	Leading manufacturers of foam and related products
No. of Employees :	105

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	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 168312.40
Status :	Satisfactory
Payment Behaviour :	Slow and delayed
Litigation :	Clear

### NOTES :

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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

## **COMPANY NAME**

UNITED FOAM INDUSTRIES (PVT) LIMITED

## **FULL ADDRESS**

Registered Address  
16 K.M., Multan Road, Lahore, Pakistan

Tel No. 92 (42) 111-100-555, 37511238 - 42 (4 Lines)  
Fax No. 92 (42) 37510654  
Email [unigrup@brain.net.pk](mailto:unigrup@brain.net.pk)

## **SHORT DESCRIPTION OF BUSINESS**

a.	Nature of Business	Leading manufacturers of foam and related products in Pakistan
b.	Year Established	1976
c.	Registration No.	0005133

## **BRANCHES**

In Lahore at present

## **AUDITORS**

Naeem Tariq & Co.  
(Chartered Accountants)

## **LEGAL STATUS**

Subject Company was established as a Private Limited Company in 1976

## **CAPITAL**

Authorised Capital Rs. 1,000,000,000/- divided into 100,000,000/- shares of Rs. 10/- each  
Issued & Paid up Capital Rs. 400,000,000/- divided into 40,000,000/- shares of Rs. 10/- each

## **DETAILS OF CHIEF EXECUTIVE / DIRECTORS**

Names	Designation
Mr. Faraz Khalid Shaikh	Chief Executive
Mr. Bilal Khalid Shaikh	Director
Mr. Khalid Rashid Shaikh	Director
Mrs. Farzana Khalid	Director
Mr. Muhammad Ilyas Qasim	Director

## **SHAREHOLDERS**

Names	No. of Shares
Mr. Faraz Khalid Shaikh	9,120,000
Mr. Bilal Khalid Shaikh	9,120,000
Mr. Khalid Rashid Shaikh	7,027,000
Mrs. Farzana Khalid	3,813,000
Mr. Muhammad Ilyas Qasim	1
Shaikh Combined Industries (Pvt) Limited, Pakistan	10,919,999

## **ASSOCIATED COMPANIES**

None

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## **BUSINESS ACTIVITIES**

Leading manufacturers of foam and related products in Pakistan by its brand names of **UNIFOAM**

## **NO. OF EMPLOYEES**

105

## **ANNUAL SALES VOLUME**

Years	In Pak Rupees
2016	300,000,000/- (Estimated)
2017	450,000,000/- (Estimated)

## **TRADE SUPPLIERS (FOREIGN)**

Subject import globally from Companies belongs to European Countries, Japan, China, Hong Kong, Korea & Taiwan. Its global trade suppliers are Companies related to Foam Raw Materials, Machineries

## **ANNUAL PRODUCTION VOLUME**

Annual production volume is indeterminable as it's mainly depend on the demand / requirements from their domestic customers

## **DISTRIBUTORS NETWORK**

Mainly exist at major cities of Punjab Province of Pakistan

## **BANKERS**

- (1) Habib Bank Limited, Pakistan.
- (2) Bank Al-Falah Limited, Pakistan.
- (3) Allied Bank Limited, Pakistan.
- (4) Soneri Bank Limited, Pakistan.

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## **MEMBERSHIPS**

LCCI

## **COMMENTS**

Subject Company was established in 1976 and is a leading manufacturer of foam and related products in Pakistan. Overall reputation is satisfactory. Trade relations are reported as fair. 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 72.88
UK Pound	1	INR 94.75
Euro	1	INR 83.23
PKR	1	INR 0.55

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

**INFORMATION DETAILS**

Analysis Done by :	PRI
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)