

ALI MOHAMED CHAMS & PARTNER (CHAMS EXCHANGE) - 533747.2 (SUPPLEMENTARY REPORT) PAGE NO. : 1

MIRA INFORM REPORT

Report No. :	533747.2
Report Date :	23.10.2018

IDENTIFICATION DETAILS

Name :	ALI MOHAMED CHAMS & PARTNER (CHAMS EXCHANGE)
Registered Office :	Sahata Choutra, Chtaura
Country :	Lebanon
Date of Incorporation :	12.06.1988
Com. Reg. No.:	1117
Legal Form :	Lebanese Joint Stock Company
Line of Business :	Subject engaged in the provision of currency exchange services
No. of Employees :	15

RATING & COMMENTS

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

MIRA's Rating : A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Maximum Credit Limit :	USD 100,000
Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

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NOTES :

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)
Lebanon	C1	C1

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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LEBANON - ECONOMIC OVERVIEW

Lebanon has a free-market economy and a strong laissez-faire commercial tradition. The government does not restrict foreign investment; however, the investment climate suffers from red tape, corruption, arbitrary licensing decisions, complex customs procedures, high taxes, tariffs, and fees, archaic legislation, and inadequate intellectual property rights protection. The Lebanese economy is service-oriented; main growth sectors include banking and tourism.

The 1975-90 civil war seriously damaged Lebanon's economic infrastructure, cut national output by half, and derailed Lebanon's position as a Middle Eastern banking hub. Following the civil war, Lebanon rebuilt much of its war-torn physical and financial infrastructure by borrowing heavily, mostly from domestic banks, which saddled the government with a huge debt burden. Pledges of economic and financial reforms made at separate international donor conferences during the 2000s have mostly gone unfulfilled, including those made during the Paris III Donor Conference in 2007, following the July 2006 war. The "CEDRE" investment event hosted by France in April 2018 again rallied the international community to assist Lebanon with concessional financing and some grants for capital infrastructure improvements, conditioned upon long-delayed structural economic reforms in fiscal management, electricity tariffs, and transparent public procurement, among many others.

The Syria conflict cut off one of Lebanon's major markets and a transport corridor through the Levant. The influx of nearly one million registered and an estimated 300,000 unregistered Syrian refugees has increased social tensions and heightened competition for low-skill jobs and public services. Lebanon continues to face several long-term structural weaknesses that predate the Syria crisis, notably, weak infrastructure, poor service delivery, institutionalized corruption, and bureaucratic over-regulation. Chronic fiscal deficits have increased Lebanon's debt-to-GDP ratio, the third highest in the world; most of the debt is held internally by Lebanese banks. These factors combined to slow economic growth to the 1-2% range in 2011-17, after four years of averaging 8% growth. Weak economic growth limits tax revenues, while the largest government expenditures remain debt servicing, salaries for government workers, and transfers to the electricity sector. These limitations constrain other government spending, limiting its ability to invest in necessary infrastructure improvements, such as water, electricity, and transportation. In early 2018, the Lebanese government signed long-awaited contract agreements with an international consortium for petroleum exploration and production as part of the country's first offshore licensing round. Exploration is expected to begin in 2019.

Source : CIA

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SUMMARY

Company Name	: ALI MOHAMED CHAMS & PARTNER (CHAMS EXCHANGE)
Also Known As	: CHAMS EXCHANGE COMPANY SAL
Country of Origin	: Lebanon
Legal Form	: Lebanese Joint Stock Company
Registration Date	: 12th June 1988
Commercial Registration Number	: 1117
Ministry of Finance Number	: 45101
Issued Capital	: LP 25,000,000
Paid up Capital	: LP 25,000,000
Total Workforce	: 15
Activities	: Providers of currency exchange services
Financial Condition	: Undetermined
Payments	: No Complaints
Recommended Credit Limit	: US\$ 100,000

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COMPANY NAME

COMPANY NAME: ALI MOHAMED CHAMS & PARTNER (CHAMS EXCHANGE)

ALSO KNOWN AS: CHAMS EXCHANGE COMPANY SAL

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Area : Sahata Choutra
Town : Chtaura
Country : Lebanon
Telephone : (961-8) 542410 / 542411 / 540410 / 540779
Mobile : (961-3) 304477 / 190555
Email : chamso_11@hotmail.com

Premises

Subject operates from a small suite of offices that are rented and located in the Central Business Area of Chtaura.

KEY PRINCIPALS

<u>Name</u>	<u>Nationality</u>	<u>Position</u>
• Ali Mohamed Chams	Lebanese	Managing Director
• Essam Mohamed Chams	Lebanese	Director
• Majid Mohamed Chams	Lebanese	Director

LEGAL FORM & OWNERS

Date of Establishment : 12th June 1988

Legal Form : Lebanese Joint Stock Company

Commercial Reg. No. : 1117

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Ministry of Finance No: 45101

Issued Capital : LP 25,000,000

Paid up Capital : LP 25,000,000

Name of Shareholder (s)

- Ali Mohamed Chams
- Essam Mohamed Chams
- Majid Mohamed Chams

OPERATIONS

Activities: Engaged in the provision of currency exchange services.

Subject has a workforce of 15 employees.

FINANCIAL DATA

Companies registered in Lebanon are not legally required to make their accounts public and no financial information was released by the company or submitted by outside sources.

BANKERS

- Banque Audi Sal
Ashrafieh Branch
PO Box: 112560
Beirut
Tel: (961-1) 200250 / 200251
Fax: (961-1) 200955

PAYMENT HISTORY

No Complaints

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CREDIT LIMIT

Recommended credit limit: US\$ 100,000

GENERAL COMMENTS

Please note that the correct name of the subject is "Ali Mohamed Chams & Partner (Chams Exchange)". The subject is also known as "Chams Exchange Company Sal". There have been no acquisitions or buy outs the two names refer to the same legal entity. The Lebanese Ministry of Finance required that the subject remain a Joint Stock Company but allowed them to use the name "Ali Mohamed Chams & Partner (Chams Exchange)" even though it contains the word "partner".

The subject and its shareholders/owners have been searched in the following databases; Office of Foreign Assets Control (OFAC), United Nations Security Council Sanctions, Australian Sanctions List, US Consolidated Sanctions List, EU Financial Sanctions List and UK Financial Sanctions List and nothing adverse could be found on the exact names listed within the report.

According to local sources, subject enjoys a good reputation for the quality of its products with nothing detrimental uncovered regarding the manner in which operations are conducted. As such the company is considered to be a fair trade risk.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.30
UK Pound	1	INR 95.93
Euro	1	INR 84.57
LBP	1	INR 0.049

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	KET

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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)