

## MIRA INFORM REPORT

<b>Report No. :</b>	532034
<b>Report Date :</b>	28.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	INTERSTATE INKS SAL
<b>Registered Office :</b>	Industrial Zone B, Horyayel PO Box 55 Jbeil
<b>Country :</b>	Lebanon
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	11.03.2014
<b>Com. Reg. No.:</b>	2037099
<b>Legal Form :</b>	Lebanese Joint Stock Company
<b>Line of Business :</b>	Subject is engaged in the manufacture of ink materials for the printing industry
<b>No. of Employees :</b>	35

### 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

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	Clear

#### NOTES :

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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)
Lebanon	B2	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

**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

## **SUMMARY**

Company Name	: INTERSTATE INKS SAL
Country of Origin	: Lebanon
Legal Form	: Lebanese Joint Stock Company
Registration Date	: 11 <sup>th</sup> March 2014
Commercial Registration Number	: 2037099, Beirut
VAT Number	: 601-2936568
Issued Capital	: LP 300,000,000
Paid up Capital	: LP 300,000,000
Total Workforce	: 35
Activities	: Manufacturers of ink materials for the printing industry
Financial Condition	: Fair
Payments	: No Complaints
Operating Trend	: Steady

## **COMPANY NAME**

INTERSTATE INKS SAL

## **ADDRESS**

Registered & Physical Address

Location : Industrial Zone B, Horyayel

PO Box : 55

Town : Jbeil

Country : Lebanon

Telephone : (961-9) 790884 / 790885

Facsimile : (961-9) 790995

Mobile : (961-3) 218268

Email : [karim.milan@interstateinks.com](mailto:karim.milan@interstateinks.com)

Premises

Subject operates from a medium sized suite of offices and a factory that are rented and located in the Industrial Area of Jbeil.

## **KEY PRINCIPALS**

<u>Name</u>	<u>Nationality</u>	<u>Position</u>
Elie Joseph Karam	Lebanese	Managing Director
Sami Joseph Karam	Lebanese	Director
Mounir Shafiq Afram	Lebanese	Director
George Afram	Lebanese	Director
Marwan Rabia Afram	Lebanese	Director
Jihad Antoine Afram	Lebanese	Director
Ms Claudine	-	Assistant General Manager

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Karim Milan

-

Commercial Manager

## **LEGAL FORM & OWNERS**

**Date of Establishment** : 11<sup>th</sup> March 2014 (Production began in September 2015)

**Legal Form** : Lebanese Joint Stock Company

**Commercial Reg. No.** : 2037099, Beirut

**VAT No.** : 601-2936568

**Issued Capital** : LP 300,000,000

**Paid up Capital** : LP 300,000,000

Name of Shareholder (s)	Percentage
Andfco Holding Company	69.992%
Elie Joseph Karam	20.000%
Sami Joseph Karam	10.000%
Mounir Shafiq Afram	0.002%
George Afram	0.002%
Marwan Rabia Afram	0.002%
Jihad Antoine Afram	0.002%

## **OPERATIONS**

**Activities** : Engaged in the manufacture of ink materials for the printing industry.

**Operating Trend** : Steady

Subject has a workforce of 35 employees.

## **FINANCIAL DATA**

Financial highlights provided by local sources are given below:

Currency: Lebanese Pounds (LP)

	Year Ending 31/12/16:	Year Ending 31/12/17:
Total Sales	LP 3,000,000,000	LP 3,800,000,000

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

The above financial figures are based on estimations by our local sources.

## **BANKERS**

Credit Libanais Sal  
PO Box: 166729  
Beirut  
Tel: (961-1) 200028 / 201292  
Fax: (961-1) 602615

## **PAYMENT HISTORY**

No Complaints

## **GENERAL COMMENTS**

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.

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.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.65
UK Pound	1	INR 95.43
Euro	1	INR 85.04
LBP	1	INR 0.048

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

**INFORMATION DETAILS**

Analysis Done by :	VIV
Report Prepared by :	DNS

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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)