

**MEKDES HAYLU SHEWAREGED - 530201.2 - [SUPPLEMENTARY REPORT] PAGE NO. : 1**

**MIRA INFORM REPORT**

|                      |            |
|----------------------|------------|
| <b>Report No. :</b>  | 530201.2   |
| <b>Report Date :</b> | 28.09.2018 |

**IDENTIFICATION DETAILS**

|                                |   |
|--------------------------------|---|
| <b>Name :</b>                  | MEKDES HAYLU SHEWAREGED   |
| <b>Registered Office :</b>     | Addis Ketema Sub City W 10 H NO. 458/70, Addis Ababa  |
| <b>Country :</b>               | Ethiopia  |
| <b>Financials (as on) :</b>    | 2017 [Summarized]   |
| <b>Date of Incorporation :</b> | 02.07.2010  |
| <b>Legal Form :</b>            | Sole Proprietorship   |
| <b>Line of Business :</b>      | Exporters of pulses, oilseeds, spices and import and distribution of automotive spare parts |
| <b>No. of Employees :</b>      | 15  |

**RATING & COMMENTS**

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

|                        |   |
|------------------------|---|
| <b>MIRA's Rating :</b> | B |
|------------------------|---|

| <b>Credit Rating</b> | <b>Explanation</b> | <b>Rating Comments</b>                                      |
|----------------------|--------------------|---|
| B                    | Medium Risk        | Business dealings permissible on a regular monitoring basis |

|                            |               |
|----------------------------|---------------|
| <b>Status :</b>            | Moderate      |
| <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<br>(31.12.2017) | Current Rating<br>(01.04.2018) |
|--------------|---------------------------------|--------------------------------|
| Ethiopia     | 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                   |

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**ETHIOPIA - ECONOMIC OVERVIEW**

Ethiopia - the second most populous country in Africa - is a one-party state with a planned economy. For more than a decade before 2016, GDP grew at a rate between 8% and 11% annually – one of the fastest growing states among the 188 IMF member countries. This growth was driven by government investment in infrastructure, as well as sustained progress in the agricultural and service sectors. More than 70% of Ethiopia's population is still employed in the agricultural sector, but services have surpassed agriculture as the principal source of GDP.

Ethiopia has the lowest level of income-inequality in Africa and one of the lowest in the world, with a Gini coefficient comparable to that of the Scandinavian countries. Yet despite progress toward eliminating extreme poverty, Ethiopia remains one of the poorest countries in the world, due both to rapid population growth and a low starting base. Changes in rainfall associated with world-wide weather patterns resulted in the worst drought in 30 years in 2015-16, creating food insecurity for millions of Ethiopians.

The state is heavily engaged in the economy. Ongoing infrastructure projects include power production and distribution, roads, rails, airports and industrial parks. Key sectors are state-owned, including telecommunications, banking and insurance, and power distribution. Under Ethiopia's constitution, the state owns all land and provides long-term leases to tenants. Title rights in urban areas, particularly Addis Ababa, are poorly regulated, and subject to corruption.

Ethiopia's foreign exchange earnings are led by the services sector - primarily the state-run Ethiopian Airlines - followed by exports of several commodities. While coffee remains the largest foreign exchange earner, Ethiopia is diversifying exports, and commodities such as gold, sesame, khat, livestock and horticulture products are becoming increasingly important. Manufacturing represented less than 8% of total exports in 2016, but manufacturing exports should increase in future years due to a growing international presence.

The banking, insurance, telecommunications, and micro-credit industries are restricted to domestic investors, but Ethiopia has attracted roughly \$8.5 billion in foreign direct investment (FDI), mostly from China, Turkey, India and the EU; US FDI is \$567 million. Investment has been primarily in infrastructure, construction, agriculture/horticulture, agricultural processing, textiles, leather and leather products.

To support industrialization in sectors where Ethiopia has a comparative advantage, such as textiles and garments, leather goods, and processed agricultural products, Ethiopia plans to increase installed power generation capacity by 8,320 MW, up from a capacity of 2,000 MW, by building three more major dams and expanding to other sources of renewable energy. In 2017, the government devalued the birr by 15% to increase exports and alleviate a chronic foreign currency shortage in the country.

Source : CIA

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## **SUBJECT'S NAME**

Registered Name: **MEKDES HAYLU SHEWAREGED**  
Requested Name: **MEKDES HAYLU SHEWAREGED**  
Other Names: **None**

## **ADDRESS AND TELECOMMUNICATION**

Physical Address: **Addis Ketema Sub City W 10 H NO. 458/70,  
Addis Ababa,**  
Country: **Ethiopia**  
Phone: **251-912623104**  
Fax: **251-912623104**  
Email: **None**  
Website: **None**

## **CREDIT OPINION**

Financial Index as of December 2017 shows subject firm with a medium risk of credit.

## **LEGAL**

Legal Form: **Sole Proprietorship**  
Date Incorporated: **02-July-2010**  
Reg. Number: **Ethiopia**  
Nominal Capital: **ETB. 1,000,000**  
Subscribed Capital: **ETB. 1,000,000**  
Subscribed Capital is Subscribed in the following form:

|                 | <b>Position</b> | <b>Shares</b> |
|-----------------|-----------------|---------------|
| Mohamed Mamdouh | GM              |               |

## **RELATED COMPANIES**

None **Parent company.**  
None **Subsidiary company.**  
None **Affiliated company.**

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None Shareholder of subject firm.  
None Branches of the firm

**OPERATIONS**

Registered to operate as exporters of pulses, oilseeds, spices and import and distribution of automotive spare parts

Imports: None  
Exports: Europe, Asia  
Trademarks: None  
Terms of sale: Cash (40%) and 25-90 days (60%), invoices.

Main Customers: Distributors, firms and organizations  
Employees: 15 employees.  
Vehicles: Several motor vehicles.  
Territory of sales: Ethiopia  
Location: Rented premises, 2,000 square feet,

**AUDITORS AND INSURANCE**

Auditors: Information not available.  
Insurance Brokers: Information not available.

**FINANCE**

Currency Reported: Ethiopian Birr (ETB.)  
Fiscal Year End: December 31, 2017  
Inflation: According to information given by independent sources, the inflation at December 31st, 2017 was of 13%.

Financial Information not Submitted

Profit and Loss (expressed in ETB.)

Sales **2017**  
12,500,000

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## ***BANK***

|            |                   |
|------------|-------------------|
| Bank Name: | Bank of Abyssinia |
| Branch:    | Ethiopia          |
| Comments:  | None              |

## ***COMMENTS / ADDITIONAL INFORMATION***

This information was obtained from outside sources other than the subject company itself and confirmed the above subject.

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**FOREIGN EXCHANGE RATES**

| Currency  | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1    | INR 72.65     |
| UK Pound  | 1    | INR 95.43     |
| Euro      | 1    | INR 85.04     |
| ETB       | 1    | INR 2.60      |

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

**INFORMATION DETAILS**

|                      |     |
|----------------------|-----|
| Analysis Done by :   | DIV |
| Report Prepared by : | SYL |

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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)

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