

## MIRA INFORM REPORT

<b>Report No. :</b>	522163
<b>Report Date :</b>	02.08.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	R.N. STERNPLAST LTD.
<b>Formerly Known As :</b>	STERN PACKAGING LTD.
<b>Registered Office :</b>	Mobile Post Lachish Darom, Sde Yoav 7935100
<b>Country :</b>	Israel
<b>Date of Incorporation :</b>	2012
<b>Legal Form :</b>	Private Limited Company
<b>Line of Business :</b>	<ul style="list-style-type: none"> <li>According to subject's website, as well as our data, operating as manufacturers, exporters and marketers of flexible packaging, mainly for the food industry.</li> <li>According to our data, manufacturing is via subcontractors in India.</li> </ul>
<b>No. of Employees :</b>	4 [2015]

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

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	Unknown
<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)
Israel	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

### **ISRAEL - ECONOMIC OVERVIEW**

Israel has a technologically advanced free market economy. Cut diamonds, high-technology equipment, and pharmaceuticals are among its leading exports. Its major imports include crude oil, grains, raw materials, and military equipment. Israel usually posts sizable trade deficits, which are offset by tourism and other service exports, as well as significant foreign investment inflows.

Between 2004 and 2013, growth averaged nearly 5% per year, led by exports. The global financial crisis of 2008-09 spurred a brief recession in Israel, but the country entered the crisis with solid fundamentals, following years of prudent fiscal policy and a resilient banking sector. Israel's economy also weathered the 2011 Arab Spring because strong trade ties outside the Middle East insulated the economy from spillover effects.

Slowing domestic and international demand and decreased investment resulting from Israel's uncertain security situation reduced GDP growth to an average of roughly 2.8% per year during the period 2014-17. Natural gas fields discovered off Israel's coast since 2009 have brightened Israel's energy security outlook. The Tamar and Leviathan fields were some of the world's largest offshore natural gas finds in the last decade. Political and regulatory issues have delayed the development of the massive Leviathan field, but production from Tamar provided a 0.8% boost to Israel's GDP in 2013 and a 0.3% boost in 2014. One of the most carbon intense OECD countries, Israel generates about 57% of its power from coal and only 2.6% from renewable sources.

Income inequality and high housing and commodity prices continue to be a concern for many Israelis. Israel's income inequality and poverty rates are among the highest of OECD countries, and there is a broad perception among the public that a small number of "tycoons" have a cartel-like grip over the major parts of the economy. Government officials have called for reforms to boost the housing supply and to increase competition in the banking sector to address these public grievances. Despite calls for reforms, the restricted housing supply continues to impact younger Israelis seeking to purchase homes. Tariffs and non-tariff barriers, coupled with guaranteed prices and customs tariffs for farmers kept food prices high in 2016. Private consumption is expected to drive growth through 2018, with consumers benefitting from low inflation and a strong currency.

In the long term, Israel faces structural issues including low labor participation rates for its fastest growing social segments - the ultraorthodox and Arab-Israeli communities. Also, Israel's progressive, globally competitive, knowledge-based technology sector employs only about 8% of the workforce, with the rest mostly employed in manufacturing and services - sectors which face downward wage pressures from global competition. Expenditures on educational institutions remain low compared to most other OECD countries with similar GDP per capita.

Source : CIA

## **COMPANY NAME & ADDRESS**

**R.N. STERNPLAST LTD.**  
Email: [info@sternplast.com](mailto:info@sternplast.com)  
Registered Address  
Mobile Post Lachish Darom  
Sde Yoav 7935100 Israel

## **HISTORY & LEGAL FORMATION**

Originally established as a sole proprietorship in 2012.

Converted into a private limited company and registered as such as per file No. 51-489890-7 on the 22.04.2013 under the name STERN PACKAGING LTD., which changed to the present name on the 08.08.2013.

## **SHARE CAPITAL**

Authorized share capital NIS 25,000.00, divided into -  
250 ordinary shares of NIS 100.00 each, of which 150 shares amounting to NIS 15,000.00 were issued.

## **SHAREHOLDERS**

1. Ran Stern, 33.33%,
2. Niv Stern, 33.33%,
3. Arie Gurevich, 33.33%.

## **DIRECTORS**

1. Arie Gurevich,
2. Niv Stern., son of Ran Stern.

According to subject's website, Arie Gurevich serves as General Manager. Since we could not speak to subject's officials, we were unable to verify this.

### Role Holders in the Company (Registered)

Ran Stern, registered authorized reporting official.

## **BUSINESS**

According to subject's website, as well as our data, operating as manufacturers, exporters and marketers of flexible packaging, mainly for the food industry.

According to our data, manufacturing is via subcontractors in India.

20% of sales are export in 2014, 10% in 2013, all over the world.

Work is according to orders.

Subject's registered address in the Registrar of companies (as well as presented in its website, and our previous data), operating from premises, owned by Kibbutz Sde Yoav, on an area of 35 sq. meters, in Kibbutz Sde Yoav.

Note: Subject does not pay rental fees, as it has an arrangement with Kibbutz Sde Yoav.

Website: <http://sternplast.com>

Had 4 employees in 2015. Current number of employees not forthcoming.

## **MEANS**

Financial data not forthcoming.

There are 7 charges for unlimited amounts registered on the company's assets (financial assets and a vehicle), in favor of Bank Hapoalim Ltd. and Bank Leumi Le'Israel Ltd. (last charges placed May 2018, prior charge placed November 2016, both on financial assets).

## **REVENUES**

2013 sales claimed to be NIS 1,000,000, 10% for export.

2014 sales claimed to be NIS 4,000,000, 20% for export.

Later sales data not forthcoming.

## **BANKERS**

According to our records (since we could not speak to subject's officials, we were unable to verify then u/m bank details):

Bank Hapoalim Ltd., Shimshon Branch (No. 586), Ashkelon, account Nos. 172118,366664,199563.

A check with the Central Banks' database did not reveal any negative information regarding subject's a/m account.

## ***CHARACTER AND REPUTATION***

Nothing unfavorable learned.

Despite our efforts, we were unable to contact subject, nor its officials.

We called several times subject's phone number presented in its website (+972 8 6771811), the phone rings no answer.

We called several times Niv Stern's mobile phone (+972 50 5324488), or that there was no answer, or a busy signal. He did not return to us.

We called Niv Stern's private home in Sde Yoav (+972 8 6721114). The phone rings, no answer.

Rani Stern has vast experience and connections in the packaging industry. Prior to establishing subject, he served as a co-general manager in C.L.P INDUSTRIES LTD., a veteran and among the leading local companies in the packaging field (he retired from C.L.P in January 2012). Mr. Strern was also a director in several large industrial companies.

According to the Central Bureau of Statistics (CBS), import of Plastic and Rubber raw material for the local industry totaled US\$ 2,544 million in 2017, 10.7% rise from 2016 (that in US\$ terms, marked 3.6% rise in NIS terms). In 2016 import rose by 4% from 2015, after 12% decrease from 2014. Import of such in the first 5 months of 2018 showed 16% increase (10% in NIS terns) compared with the parallel period in 2017, totaling US\$ 1,199.3 million.

Plastic & rubber raw materials consumption by the local industry is of around 1 million tons, 70% of which derives from import, the rest from local production (which is comprised mainly of simple raw materials).

According to the CBS, sales for export from the manufacturing of Plastic and Rubber products in 2017 rose by 7.6% from 2016, summing up to US\$ 2,214.4 million, which comes after 6.3% increase in 2016 and 7% decrease in export in 2015, each from the previous year. Export of such in the first 5 months of 2018 climbed by 12% compared with the parallel period in 2017.

From the CBS data, investment in imported machinery and equipment by the Plastic & Rubber industries in 2017 totaled at NIS 556.7 million, marking 9.8% increase from 2016 (change in quantity), after 15.2% increase in 2016, 13.2% increase in 2015 and 5.2% increase in 2014, each from the previous year.

## ***SUMMARY***

Considering the inability to contact subject and its officials, dealings are recommended on secured basis.

**Note:** Since February 2013 Israel Post has started using a new area code method of 7 digits (the old method of 5 digits is no longer valid).

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.60
UK Pound	1	INR 89.93
Euro	1	INR 80.11
ILS	1	INR 18.57

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRA
<b>Report Prepared by :</b>	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)