

MIRA INFORM REPORT

Report No. :	523301
Report Date :	03.08.2018

IDENTIFICATION DETAILS

Name :	AL AYADA OULA OLD MATERIAL WORKS EST
Registered Office :	Building No. 421-422, Amgara, Safat
Country :	Kuwait
Financials (as on) :	31.12.2017
Date of Incorporation :	22.05.2005
Com. Reg. No.:	107583
Legal Form :	Sole Proprietorship
Line of Business :	Subject is engaged in the import and distribution of scrap materials.
No. of Employees :	7

RATING & COMMENTS

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

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES :

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Kuwait	A1	A2

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

KUWAIT - ECONOMIC OVERVIEW

Kuwait has a geographically small, but wealthy, relatively open economy with crude oil reserves of about 102 billion barrels - more than 6% of world reserves. Kuwaiti officials plan to increase production to 4 million barrels of oil equivalent per day by 2020. Petroleum accounts for over half of GDP, 92% of export revenues, and 90% of government income.

In 2015, Kuwait, for the first time in 15 years, realized a budget deficit after decades of high oil prices; in 2016, the deficit grew to 16.5% of GDP. Kuwaiti authorities announced cuts to fuel subsidies in August 2016, provoking outrage among the public and National Assembly, and the Amir dissolved the government for the seventh time in ten years. In 2017 the deficit was reduced to 7.2% of GDP, and the government raised \$8 billion by issuing international bonds. Despite Kuwait's dependence on oil, the government has cushioned itself against the impact of lower oil prices, by saving annually at least 10% of government revenue in the Fund for Future Generations.

Kuwait has failed to diversify its economy or bolster the private sector, because of a poor business climate, a large public sector that employs about 74% of citizens, and an acrimonious relationship between the National Assembly and the executive branch that has stymied most economic reforms. The Kuwaiti Government has made little progress on its long-term economic development plan first passed in 2010. While the government planned to spend up to \$104 billion over four years to diversify the economy, attract more investment, and boost private sector participation in the economy, many of the projects did not materialize because of an uncertain political situation or delays in awarding contracts. To increase non-oil revenues, the Kuwaiti Government in August 2017 approved draft bills supporting a Gulf Cooperation Council-wide value added tax scheduled to take effect in 2018.

Source : CIA

SUMMARY

Company Name	: AL AYADA OULA OLD MATERIAL WORKS EST
Also Known As	: AL AYADA OULA SCRAP MATERIAL EST
Country of Origin	: Kuwait
Legal Form	: Sole Proprietorship
Registration Date	: 22 nd May 2005
Commercial Registration Number	: 107583
Chamber Membership Number	: 95107
Invested Capital	: KD 20,000
Total Workforce	: 7
Activities	: Distributors of scrap materials
Financial Condition	: Fair
Payments	: Nothing detrimental uncovered
Operating Trend	: Steady
Person Interviewed	: Sattam Obaid Dali Al Ayada Al Shamry, Proprietor & General Manager

COMPANY NAME

AL AYADA OULA OLD MATERIAL WORKS EST

ALSO KNOWN AS: AL AYADA OULA SCRAP MATERIAL EST

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Building : Building No. 421-422
Area : Amgara

Town : Safat
Country : Kuwait

Telephone : (965) 24565626
Facsimile : (965) 24565627
Mobile : (965) 99065860 / 99734435 / 99887873
Email : alayadaoula@yahoo.com

Premises

Subject operates from a small suite of offices that are rented and located in the Industrial Area of Safat

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
• Sattam Obaid Dali Al Ayada Al Shamry	Proprietor & General Manager
• Mohamed Naeem Shareef	Sales Officer

LEGAL FORM & OWNERS

Date of Establishment : 22nd May 2005

Legal Form : Sole Proprietorship

Commercial Reg. No. : 107583

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Chamber Member No. : 95107

Invested Capital : KD 20,000

Mr Sattam Obaid Dali Al Ayada Al Shamry is the sole proprietor of the business.

OPERATIONS

Activities: Engaged in the import and distribution of scrap materials.

Import Countries: Europe and GCC countries

Operating Trend: Steady

Subject has a workforce of 7 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Kuwaiti Dinar (KD)

	Year Ending 31/12/16:	Year Ending 31/12/17:
Total Sales	KD 810,000	KD 935,000

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

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

BANKERS

- Commercial Bank of Kuwait SAK
Mubarak Al Kabir Street
PO Box: 2861
Safat 13029
Tel: (965) 22411001
Fax: (965) 22450150

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

GENERAL COMMENTS

Please note that the correct name of the subject is "Al Ayada Oula Old Material Works Est" and not "A1 Ayada Ould Old Material Work Est".

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 meets its payment obligations in a timely manner and the business is considered to be a fair trade risk.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.36
UK Pound	1	INR 89.52
Euro	1	INR 79.57
KWD	1	INR 226.88

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

INFORMATION DETAILS

Analysis Done by :	DIV
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)