

MIRA INFORM REPORT

Report No. :	524070
Report Date :	09.08.2018

IDENTIFICATION DETAILS

Name :	ARABIAN BUILDING CHEMICALS FACTORY COMPANY LTD
Formerly Known As :	ARABIAN BUILDING CHEMICALS FACTORY
Registered Office :	ABC Building, Old Makkah Road, Kilo 14, Al Muntazahut Area, PO Box 102222, Jeddah 21321, 15162, Jeddah 21444, Jeddah
Country :	Saudi Arabia
Financials (as on) :	31.12.2017
Date of Incorporation :	19.08.1982
Com. Reg. No.:	4030112229, Jeddah
Legal Form :	Limited Liability Partnership
Line of Business :	Subject is engaged in the manufacture of granulate, wall paints, putty, sealer, domoplast and domopond, as well as varnishes, road sign paints, artificial paints and vehicle paints.
No. of Employees :	150

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

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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 (31.12.2017)	Current Rating (01.04.2018)
Saudi Arabia	A2	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

SAUDI ARABIA - ECONOMIC OVERVIEW

Saudi Arabia has an oil-based economy with strong government controls over major economic activities. It possesses about 16% of the world's proven petroleum reserves, ranks as the largest exporter of petroleum, and plays a leading role in OPEC. The petroleum sector accounts for roughly 87% of budget revenues, 42% of GDP, and 90% of export earnings.

Saudi Arabia is encouraging the growth of the private sector in order to diversify its economy and to employ more Saudi nationals. Approximately 6 million foreign workers play an important role in the Saudi economy, particularly in the oil and service sectors; at the same time, however, Riyadh is struggling to reduce unemployment among its own nationals. Saudi officials are particularly focused on employing its large youth population.

In 2017, the Kingdom incurred a budget deficit estimated at 8.3% of GDP, which was financed by bond sales and drawing down reserves. Although the Kingdom can finance high deficits for several years by drawing down its considerable foreign assets or by borrowing, it has cut capital spending and reduced subsidies on electricity, water, and petroleum products and recently introduced a value-added tax of 5%. In January 2016, Crown Prince and Deputy Prime Minister MUHAMMAD BIN SALMAN announced that Saudi Arabia intends to list shares of its state-owned petroleum company, ARAMCO - another move to increase revenue and outside investment. The government has also looked at privatization and diversification of the economy more closely in the wake of a diminished oil market. Historically, Saudi Arabia has focused diversification efforts on power generation, telecommunications, natural gas exploration, and petrochemical sectors. More recently, the government has approached investors about expanding the role of the private sector in the health care, education and tourism industries. While Saudi Arabia has emphasized their goals of diversification for some time, current low oil prices may force the government to make more drastic changes ahead of their long-run timeline.

Source : CIA

SUMMARY

Company Name	: ARABIAN BUILDING CHEMICALS FACTORY COMPANY LTD
Country of Origin	: Saudi Arabia
Legal Form	: Limited Liability Partnership
Registration Date	: 19 th August 1982
Commercial Registration Number	: 4030112229, Jeddah
Trade Licence Number	: 350 & 580 & 150
Chamber Membership Number	: 37493
Issued Capital	: SR 12,960,000
Paid up Capital	: SR 12,960,000
Total Workforce	: 150
Activities	: Manufacturers of paint, putty, varnish and sealants
Financial Condition	: Fair
Payments	: No Complaints
Operating Trend	: Steady
Person Interviewed	: Maher Al Shodi, Accounting Manager

COMPANY NAME

ARABIAN BUILDING CHEMICALS FACTORY COMPANY LTD

ADDRESS

Registered & Physical Address

Building : ABC Building
Street : Old Makkah Road, Kilo 14
Area : Al Muntazahut Area
PO Box : 102222, Jeddah 21321
15162, Jeddah 21444
Town : Jeddah
Country : Saudi Arabia
Telephone : (966-12) 6244666 / 6211101 / 6697276 / 6697268 / 6211911 / 6707700
Facsimile : (966-12) 6206341 / 6607639
Email : abc@babader.com / maher@babader.com

Premises

Subject operates from a suite of offices, a factory and a warehouse covering an area of 28,000 square metres that are owned and located in the Suburban Business Area of Jeddah.

Branch Office (s)

<u>Location</u>	<u>Description</u>
Dammam Tel: (966-13) 2411843	Distribution outlet
Riyadh	Distribution outlet

KEY PRINCIPALS

Mahfouz Salem Saleh Babader	Managing Partner
Babader Ahmed Babader	Partner
Bader Ahmed	Sales Manager
Ahmed Abu Saif	Commercial Manager

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Tawfiq Al Bana

Finance Manager

Maher Al Shodi

Accounting Manager

Ahmed Bahmaid

Purchasing Manager

LEGAL FORM & OWNERS

Date of Establishment : 29/10/1402 Hijri (Corresponding to 19th August 1982)

History : Subject was originally established in 1982 as a Sole Proprietorship of Mr Salem Saleh Babader under the name of "Arabian Building Chemicals Factory". After the demise of Mr Salem Saleh Babader the business was transferred by inheritance to his legal heirs.

Subsequently subject was re-registered as a Limited Liability Partnership between the current owners under the name of "Arabian Building Chemicals Factory Company Ltd"

Legal Form : Limited Liability Partnership

Commercial Reg. No. : 4030112229, Jeddah

Industrial Licence No. : 350 & 580 & 150

Chamber Member No. : 37493

Issued Capital : SR 12,960,000

Paid up Capital : SR 12,960,000

Name of Partner (s)

Mahfouz Salem Saleh Babader

Babader Ahmed Babader

Babader Trading & Industrial Corp

PO Box: 854

Jeddah 21421

Tel: (966-12) 6473125

Fax: (966-12) 6477582

AFFILIATED COMPANIES

Osama Domochemica Co Ltd

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West Expressway
PO Box: 15162
Jeddah 21444
Tel: (966-12) 6607639

Plastic Pellets Factory Co Ltd
Makkah Road, Kilo-14
PO Box: 15162
Jeddah 21444
Tel: (966-12) 6240441 / 6322483
Fax: (966-12) 6206341

OPERATIONS

Activities: Engaged in the manufacture of granulate, wall paints, putty, sealer, domoplast and domopond, as well as varnishes, road sign paints, artificial paints and vehicle paints.

Subject has signed a contract with Johnstones Paints Plc of the UK under which the subject produces paint under the brand name of "Johnstones".

All of subject's products conform to the Saudi Standards certificate of quality.

Production Capacity : 45,000 metric tonnes per annum.

Import Countries: United Kingdom, Italy, Germany and France

International Suppliers:

Vonymall	United Kingdom
ICI	United Kingdom
Bayar	Germany
Akza Nobel	Sweden
Clariant	United Arab Emirates
Crystal Co	Saudi Arabia
Synthomer Middle East	Saudi Arabia

Export Countries : Africa and Australia.

Brand Names: ROSE, FLAG, JOHNSTONES, MARTENSONS and BABADER

Operating Trend: Steady

Subject has a workforce of 150 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Saudi Riyals (SR)

	Year Ending 31/12/16:	Year Ending 31/12/17:
Total Sales	SR 100,200,000	SR 103,000,000

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

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

BANKERS

National Commercial Bank
Industrial City Branch
PO Box: 18656
Jeddah 21425
Tel: (966-12) 6368224

Saudi American Bank
Madinah Road
PO Box: 490
Jeddah 21411
Tel: (966-12) 6603993

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

GENERAL COMMENTS

Arabian Building Chemicals Factory Company Ltd commenced operations in 1983 and is well established in the local paint manufacturing industry. The company is engaged in the production of a wide range of paints and related products under well known brand names such as "Rose" and "Johnstones".

The business is owned by members of the Babader family who are well respected businessmen in the local community.

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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.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.65
UK Pound	1	INR 88.82
Euro	1	INR 79.72
SAR	1	INR 18.29

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	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)