

MIRA INFORM REPORT

Report No. :	524300
Report Date :	14.08.2018

IDENTIFICATION DETAILS

Name :	NATIONAL ALUMINIUM PRODUCTS COMPANY SAOG
Registered Office :	NAPCO Bldg., Road No. 7, Rusayl Industrial Estate, Next to Raha Polyproducts, 15 Rusayl PC 124 Muscat, Muscat
Country :	Oman
Financials (as on) :	31.12.2017
Date of Incorporation :	08.12.1984
Com. Reg. No.:	1/22025/0
Legal Form :	Joint Stock Company
Line of Business :	Manufacturers and distributors of aluminium profiles, door and window frames, balcony railings and a wide range of profiles, including sliding, hinge and swing doors and windows, kitchen cabinets, curtain walls, hand rails and louvres.
No. of Employees :	315

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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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)
Oman	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

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OMAN - ECONOMIC OVERVIEW

Oman is heavily dependent on oil and gas resources, which can generate between 68% and 85% of government revenue, depending on fluctuations in commodity prices. In 2016, low global oil prices drove Oman's budget deficit to \$13.8 billion, or approximately 20% of GDP, but the budget deficit is estimated to have reduced to 12% of GDP in 2017 as Oman reduced government subsidies. As of January 2018, Oman has sufficient foreign assets to support its currency's fixed exchange rates. It is issuing debt to cover its deficit.

Oman is using enhanced oil recovery techniques to boost production, but it has simultaneously pursued a development plan that focuses on diversification, industrialization, and privatization, with the objective of reducing the oil sector's contribution to GDP. The key components of the government's diversification strategy are tourism, shipping and logistics, mining, manufacturing, and aquaculture.

Muscat also has notably focused on creating more Omani jobs to employ the rising number of nationals entering the workforce. However, high social welfare benefits - that had increased in the wake of the 2011 Arab Spring - have made it impossible for the government to balance its budget in light of current oil prices. In response, Omani officials imposed austerity measures on its gasoline and diesel subsidies in 2016. These spending cuts have had only a moderate effect on the government's budget, which is projected to again face a deficit of \$7.8 billion in 2018.

Source : CIA

BRIEF SUMMARY

COMPANY NAME	NATIONAL ALUMINIUM PRODUCTS COMPANY SAOG			
ADDRESS	Building NAPCO Bldg.	Street Road No. 7	Area Rusayl Industrial Estate, Next to Raha Polyproducts	PO Box 15 Rusayl PC 124 Muscat
TEL/FAX	Verified Phones: (+968) 2444 6450 / Fax: (+968) 2444 6797			
EMAIL/WEBSITE	Email: info@napco.co.om / Website: www.napcooman.com			
ACTIVITY	NACE 2442 - Aluminium production;			
PRINCIPAL	Rashad Ali Abdullah Al Musafir Chairman		Workforce 315	
LEGAL INFO	Date Of Est. 08/12/1984	Reg. No. 1/22025/0	Legal Form Joint Stock Company	Status Active
CAPITAL	CURRENCY OMR (Omani Rial)	AMOUNT 3,357,145		

IDENTIFICATION

CO. NAME	NATIONAL ALUMINIUM PRODUCTS COMPANY SAOG		
ALSO KNOWN NAME (S)	NAPCO / OMAN ALUMINIUM / NATIONAL ALUMINIUM PRODUCTS COMPANY (S.A.O.G) / NATIONAL ALUMINIUM PRODUCTS CO SAOG		
BUILDING	NAPCO Bldg.		
STREET	Road No. 7		
AREA	Rusayl Industrial Estate, Next to Raha Polyproducts		
POSTAL ADDRESS	15 Rusayl PC 124 Muscat		
TOWN	Muscat		
COUNTRY	Oman		
TELEPHONE	(+968) 2444 6450 / (+968) 2444 6110 / (+968) 2444 6797 / (+968) 2444 6796		
FAX	(+968) 2444 6797		
VERIFIED EMAIL	info@napco.co.om / david@napco.co.om / mhyder@napco.co.om		
WEBSITE	www.napcooman.com		
BUSINESS HOURS	DAYS Sun-Thu	OFFICE HOURS 08:00-17:00	BREAK TIME 13:00-14:00

SENIOR PERSONNEL

MANAGEMENT	NAME	POSITION
	Rashad Ali Abdullah Al Musafir	Chairman
	Dr. Sultan Salem Hamed Allah Aldebei	Deputy Chairman
	Anapathur Vanchi Manohar	Director & Chairman of Audit Committee
	Nasser Said Salim Al Harthy	Director
	Hussain Yousuf Dawood al Shalwani	Director
	Mohammad Ribhi Izzat Al Husseini	Director
	Yahya Mohammed Saif Al Filaiti	Director
	Management	Director
	Ihab Mouallem	
	David Ponraj	Chief Executive Officer
	Hamed Al Rashdi	Financial Controller
	Abdul Rasheed	Deputy CEO
	Salah Al Hammadi	Plant Manager
	Zahid Islam	HR & Admin Manager
	Mohammed Hyder Mohiuddin	Internal Auditor / Compliance Officer
		Deputy Chief Accountant
WORKFORCE	NO. OF EMPLOYEES	PERIOD
	315	08.2018

FINANCIAL SUMMARY

REVENUE	31/12/2017 OMR 29,280,515	31/12/2016 OMR 20,236,687
NET PROFIT / (LOSS)	31/12/2017 OMR (454,996)	31/12/2016 OMR 19,032
NOTES	The following balance sheets as at 31/12/2017, showed:	

31/12/2017 31/12/2016
(in OMR)

ASSETS

Non-current assets		
Property, plant and equipment	10,886,968	11,659,612
Investment property	380,000	380,000
Deferred tax asset	33,522	-
Total non-current assets	11,300,490	12,039,612
Current assets		
Inventories	4,974,517	8,538,074
Trade and other receivables	14,234,667	9,302,431
Bank balances and cash	727,272	415,239
Total current assets	19,936,456	18,255,744
Total assets	31,236,946	30,295,356

EQUITY AND LIABILITIES

Equity and reserves		
Share capital	3,357,145	3,357,145
Legal reserve	1,119,048	1,119,048
Retained earnings	3,227,139	3,682,135
Total equity	7,703,332	8,158,326
Liabilities		
Non-current liabilities		
Non-current portion of term loans	3,750,071	4,989,995
Employees' end of service benefits	301,033	312,832
Deferred tax liability	-	49,561
Total non-current liabilities	4,051,104	5,352,388
Current liabilities		
Current portion of term loans	1,350,000	950,000
Accounts and other		

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payables	2,030,437	7,012,260
Bank borrowings	16,102,073	8,822,380
Total current liabilities	19,482,510	16,784,640
Total liabilities	23,533,614	22,137,028
Total equity and liabilities	31,236,946	30,295,356

INCOME STATEMENT

31/12/2017 31/12/2016
(in OMR)

INCOME		
Revenue	29,280,515	20,236,687
Scrap sales	5,553,163	2,578,835
	34,833,678	22,815,522
Cost of sales	(32,882,715)	(20,863,477)
Gross profit	1,950,963	1,952,045
Gain on derivative financial instruments	102,012	-
Other income	282,654	38,331
EXPENSES		
General and administration	(993,336)	(930,490)
Selling and distribution	(1,062,353)	(737,255)
Net finance charges	(817,859)	(378,049)
	(2,873,548)	(2,045,794)
Loss before taxation	(537,919)	(55,418)
Taxation credit	82,923	74,450
(Loss)/profit and total comprehensive income for the year	(454,996)	(19,032)

FISCAL YEAR-END

31 December.

LEGAL STATUS

**INCORPORATION
REGISTRATION NO.**

08/12/1984
C.R. NUMBER
1/22025/0

ISSUED BY
Oman Chamber
of Commerce
and Industry
(OCCI)

OTHER REGISTRATION NO.

Chamber of Commerce Membership No. : 489 (issued on 1 April 1985,
expiry date : 31 December 2018)

AUTHORISED CAPITAL

AMOUNT
3,357,145

CURRENCY
OMR

PAID-UP CAPITAL

AMOUNT

CURRENCY

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BUSINESS HISTORY	3,357,145	OMR
	The company was registered as a joint stock company on 8 December 1984. Construction of the factory began in mid-1985. Subject commenced production in September 1987.	
LEGAL FORM	Societe Anonyme Omani Generale (Omani General Joint Stock Company)	
STATUS	Active	
SHAREHOLDERS	NAME	PERCENTAGE
	1. Oman and Emirates Investment Holding Company SAOG Beit Majan Building, 5th Floor Al Kuwair Area PO Box 2205 Ruwi 112 Muscat Telephone: (+968) 2448 9548 Fax : (+968) 2448 9465 Email : info@omanemirates.com Website : www.omanemirates.com	13.29%
	2. Global Financial Investment Holding SAOG Oman	12.21%
	3. HSBC/Ministry of Defence Pension Fund	10.00%
	4. Al Batinah Development and Investment Holding Co SAOG Oman	7.84%
	5. Al Ghadeer Investment Oman	7.00%
	6. Al Twasal Financial Services & Investment	6.47%
	7. Other members of the general public	43.19%

OPERATION

BANKERS

- Oman Arab Bank
Main branch
Al Markazi Street, Muttrah Business District
PO Box: 2010 Ruwi 112
Muscat

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Telephone: (+968) 2470 6265
Fax : (+968) 2479 7736

2. Bank Muscat (SAOG)

Main Branch
Al Burj Street, Muttrah Commercial District
1073
PO Box 134 Ruwi 112
Muscat
Telephone: (+968) 2470 3044
Fax : (+968) 2478 9886

**ACTIVITY CODE (NACE)
LINE OF BUSINESS**

2442 - Aluminium production;

Manufacturers and distributors of aluminium profiles, door and window frames, balcony railings and a wide range of profiles, including sliding, hinge and swing doors and windows, kitchen cabinets, curtain walls, hand rails and louvres.

Subject product range includes:

- Mill finish Solid / Hollow Aluminium Profiles;
- Anodize Aluminium Profiles;
- Powder Coated Aluminium Extrusion Profiles;
- Thermal Break and Bend Aluminium section Profiles;
- Wood Grain finish Aluminium Profile;
- Industrial Aluminium section Profile.

Napco offers over 6000 profiles to suit architectural, industrial & general purpose applications. Subject offers customized profile for customer specific requirements.

Brands : "Al Sadd" windows & kitchens; "Brital" curtain walling systems; "Naturall" powder coating; NAPCO .

Principals & Agencies: Brital, Wicono.

Subject is ISO 9001: 2008 certified.

Annual production capacity is 42,000 MT.

Market share : estimated 60%

Subject's major projects include:

- Burj Al Arab - Dubai
- Dubai Airport
- Millennium Tower
- Emirates Towers – Dubai
- Grand Hyatt Hotel – Dubai
- The Tower – Dubai

IMPORT FROM	- 21st Century Tower – Dubai
EXPORT TO	- Capricorn Tower – Dubai
FACILITIES	- Kuwait National Petroleum Corporation Tower – Kuwait
	- Commercial Bank of Kuwait
	- Hilton Hotel – Qatar
	- Al Hodaifa Towers – Qatar
	- Radisson SAS Hotel – Muscat
	- Knowledge Oasis – Muscat
	Dubai (UAE), Germany, UK, China, France and Italy.
	GCC, Lebanon, Yemen, Germany, Denmark, Singapore, UK, USA and South Africa.
	49,000 sq. m. owned industrial complex comprising several administrative offices and a factory with warehousing facilities located in the Rusayl Industrial Estate on a land leased from Rusayl Industrial Estate Authority under an agreement which expires on 31 December 2027. The factory was built by German contractors and British sub-contractors. Subject has branch offices in UAE, Saudi Arabia and India (see “Branch Offices” below).
	Subject has two extrusion presses from SMS Hansclever, Germany (2000 MT) and Danieli Breda, Italy (2800 MT).
	The extrusion presses are complemented by two anodizing lines with a capacity of 5000 MT per annum and a powder coating plant from Ercon, UK with a capacity of 7000 MT per annum. NAPCO also has a wood/marble finish (NATURALL) powder coating plant from Eurallaca, Italy.
BRANCH OFFICES	1. UAE OFFICE Office 12, Tower A, Empire Heights Business Bay, PO Box 116912 Dubai Phone: (+971 4) 429 5725
	2. Kingdom Of Saudi Arabia Office PO Box 31547 Dammam Kingdom of Saudi Arabia. Phone: (+966 13) 825 0915
	3. India Office 4, Shivalay, Hari Niwas, M.G.Road, Thane(West), Mumbai, Maharashtra India Pin: 400602 Phone: (+91 98) 2114 2902
RELATED COMPANIES	Associate Mitsuba Metal Coat Co. LLC 30%

Sharjah
UAE

PAYMENT RECORDS

CREDIT OPINION

We consider it is acceptable to deal with subject.

SPECIAL REMARKS

INTERVIEWED

Mohammed Hyder Mohiuddin (Deputy Chief Accountant).

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.47
UK Pound	1	INR 88.63
Euro	1	INR 79.19
OMR	1	INR 181.57

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)