

MIRA INFORM REPORT

Report No. :	524962
Report Date :	16.08.2018

IDENTIFICATION DETAILS

Name :	BMJ INDUSTRIES FZ LLC
Registered Office :	Al Reem Tower, 12 th Floor, Al Maktoum Street, P O Box: 31603, Dubai
Country :	United Arab Emirates
Date of Incorporation :	05.05.2010
Legal Form :	Free Zone Company – FZ LLC
Line of Business :	Manufacture of cigarettes and other tobacco products.
No. of Employees :	45

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:

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

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Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
United Arab Emirates	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

UNITED ARAB EMIRATES - ECONOMIC OVERVIEW

The UAE has an open economy with a high per capita income and a sizable annual trade surplus. Successful efforts at economic diversification have reduced the portion of GDP from the oil and gas sector to 30%.

Since the discovery of oil in the UAE nearly 60 years ago, the country has undergone a profound transformation from an impoverished region of small desert principalities to a modern state with a high standard of living. The government has increased spending on job creation and infrastructure expansion and is opening up utilities to greater private sector involvement. The country's free trade zones - offering 100% foreign ownership and zero taxes - are helping to attract foreign investors.

The global financial crisis of 2008-09, tight international credit, and deflated asset prices constricted the economy in 2009. UAE authorities tried to blunt the crisis by increasing spending and boosting liquidity in the banking sector. The crisis hit Dubai hardest, as it was heavily exposed to depressed real estate prices. Dubai lacked sufficient cash to meet its debt obligations, prompting global concern about its solvency and ultimately a \$20 billion bailout from the UAE Central Bank and Abu Dhabi Government that was refinanced in March 2014.

The UAE's dependence on oil is a significant long-term challenge, although the UAE is one of the most diversified countries in the Gulf Cooperation Council. Low oil prices have prompted the UAE to cut expenditures, including on some social programs, but the UAE has sufficient assets in its sovereign investment funds to cover its deficits. The government reduced fuel subsidies in August 2015, and introduced excise taxes (50% on sweetened carbonated beverages and 100% on energy drinks and tobacco) in October 2017. A five-percent value-added tax was introduced in January 2018. The UAE's strategic plan for the next few years focuses on economic diversification, promoting the UAE as a global trade and tourism hub, developing industry, and creating more job opportunities for nationals through improved education and increased private sector employment.

Source : CIA

SUMMARY

Company Name	: BMJ INDUSTRIES FZ LLC
Country of Origin	: Ras Al Khaimah, United Arab Emirates
Legal Form	: Free Zone Company – FZ LLC
Registration Date	: 5 th May 2010
Trade Licence Number	: RAKIA 16FZ105102840
Issued Capital	: UAE Dh 250,000
Paid up Capital	: UAE Dh 250,000
Total Workforce	: 45
Activities	: Manufacturers of cigarettes and other tobacco products
Financial Condition	: Fair
Payments	: No Complaints
Person Interviewed	: Adnan Mostafa, Accounting Manager

COMPANY NAME

BMJ INDUSTRIES FZ LLC

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Building : Al Reem Tower, 12th Floor
Street : Al Maktoum Street

PO Box : 31603

Town : Dubai
Country : United Arab Emirates

Telephone : (971-4) 2227730
Facsimile : (971-4) 2227730
Mobile : (971-50) 6544574 / 9728016 / 2221575
Email : purchase@bmjuae.com / abukairat@emirates.net.ae / malsabbagh@bmjindustries.com

Premises

Subject operates from a medium sized suite of offices that are rented and located in the Central Business Area of Dubai.

Branch Office (s)

<u>Location</u>	<u>Description</u>
<ul style="list-style-type: none">Street F13, RAK Industrial Area area Al Jazeera Al Hamra PO Box: 31503 & 31291 Ras Al Khaimah Tel: (971-7) 2433900 / 2433902 / 2435067 Fax: (971-7) 2433901 / 2435057 Mob: (971-56) 7781003	Factory premises covering an of 13,000 square metres

KEY PRINCIPALS

<u>Name</u>	<u>Nationality</u>	<u>Position</u>
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• Ahmed Ibrahim Hamdan Bakairat	Jordanian	Managing Director
• Abdul Salam Murrad Juwaid Al Janahi	Iraqi	Director
• Hazem Al Ahger	-	Chief Financial Officer
• Fareed Asali	-	Financial Controller
• Adnan Mostafa	-	Accounting Manager
• Amal Sabbagh	-	Purchasing Manager
• M Murthy	-	Factory Manager

LEGAL FORM & OWNERS

Date of Establishment : 5th May 2010

Legal Form : Free Zone Company – FZ LLC

Trade Licence No. : RAKIA 16FZ105102840

Issued Capital : UAE Dh 250,000

Paid up Capital : UAE Dh 250,000

Name of Shareholder (s)

- Ahmed Ibrahim Hamdan Bakairat
- Abdul Salam Murrad Juwaid Al Janahi

OPERATIONS

Activities: Engaged in the manufacture of cigarettes and other tobacco products. Production began in May 2012.

Import Countries: Africa, India and China

International Suppliers:

- Emirates Printing Press Dubai
- International Packaging Dubai

Brand Names: BMJ, NAPOLI, OSCAR, MAC and SPERGRAND

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Subject has a workforce of 45 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: United Arab Emirates Dirham (UAE Dh)

	Year Ending 31/12/16:	Year Ending 31/12/17:
Total Assets	UAE Dh 38,000,000	UAE Dh 33,000,000

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

The above figures were provided by Mr Adnan Mostafa, Accounting Manager

BANKERS

- HSBC Bank Middle East
Deira Souk Branch
PO Box: 66
Dubai
Tel: (971-4) 2535000

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

GENERAL COMMENTS

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 69.47
UK Pound	1	INR 88.63
Euro	1	INR 79.19
UAE Dh	1	INR 19.10

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

INFORMATION DETAILS

Analysis Done by :	PRA
Report Prepared by :	NIT

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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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