

MIRA INFORM REPORT

Report No. :	544109
Report Date :	14.12.2018

IDENTIFICATION DETAILS

Name :	C.L.A. EARTH MOVING EQUIPMENT LTD
Registered Office :	P.O. Box 12097, 46 Gesher Ha'etz Street, Emek Hefer Industrial Park, Emek Hefer, 3880000
Country :	Israel
Date of Incorporation :	05.08.1984
Legal Form :	Private Limited Company
Line of Business :	Traders, importers and marketers of engineering earthmoving and heavy-duty and agricultural equipment, including used equipment – main activity. Also leases of a/m goods – minor activity.
No. of Employees :	50

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.

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
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

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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 AND ADDRESS

RE: C.L.A. EARTH MOVING EQUIPMENT LTD.

Telephone 972 4 622 55 91
Fax 972 4 622 55 79
Email: info@cla.co.il

P.O. Box 12097
46 Gesher Ha'etz Street
Emek Hefer Industrial Park
Emek Hefer, 3880000, Israel

HISTORY & LEGAL FORMATION

A private limited company, incorporated as per file No. 51-103542-0 on the 05.08.1984.

SHARE CAPITAL

Authorized share capital NIS 100.00, divided into -
100,000 ordinary shares of NIS 0.001 each,
of which 100 shares amounting to NIS 0.10 were issued.

(Note: The currency in share capital was originally in *Old Israeli Shekel* whose nominal value was 1 thousandth of the current *New Israeli Shekel* (NIS), converted in 1986).

SHAREHOLDERS

Subject is fully owned by Nissim (Sami) Suez.

SOLE DIRECTOR

Nissim (Sami) Suez.

JOINT GENERAL MANAGERS

1. Nissim (Sami) Suez,
2. Maoz Suez, son of Nissim Suez.

BUSINESS

Traders, importers and marketers of engineering earthmoving and heavy-duty and agricultural equipment, including used equipment – main activity.
Also leases of a/m goods – minor activity.

All sales are to the local market.

Sells mostly to contractors, companies in the construction industry and to institutions.

Among local clients: Ministry of Defense, A. OREN, HANSON (ISRAEL), HAMAHAPAH, SHAFIR CIVIL & MARINE ENGINEERING, ROAD BUILDING & DEVELOPMENT (S.A.Z.), SOLEL BONEH, A. ARENSON, MORDECHAI BINYAMIN AND SONS EARTH WORKS, and more.

All new equipment is purchased from abroad, used equipment is purchased locally.

Sole local representatives of:

SAME DEUTZ FAHR, KLEEMANN, HAMM, VOGELE, WIRTGEN, ATLAS WEYHAUSEN, all of Germany,
HARTL, of Austria,
McCLOSKEY INTERNATIONAL, of Ireland,
LEE BOY, of the U.S.A,
TAKEUCHI, of Japan,
DIECI, of Italy,
KIOTI, of Korea.

Operating from premises (offices, storage facilities), owned by shareholders (via TOSES INVESTMENTS, which leases it to subject), on an area of 2,000 sq. meters, in 46 Gesher Ha'etz Street, Emek Hefer Industrial Park, Emek Hefer (south of Hadera).

Website: www.cla.co.il

Having 50 employees (had 25 employees in 2014)..

MEANS

Current stock is valued at NIS 30,000,000 (was valued at NIS 15,000,000 in 2014).

B/S data to the 31.12.2012 (last obtainable):

Total assets: NIS 51,875,000

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Equity: NIS 10,880,000.

Equity to the 30.09.2013: NIS 15,370,000.

Later/other financial data not disclosed.

There are several tens of charges for unlimited and limited amounts registered on the company's assets, in favor of local banks and companies.

REVENUES

Annual sales claimed to be between NIS 150 million – NIS 180 million

OTHER COMPANIES

TOSES INVESTMENTS LTD., fully owned by Nissim (Sami) Suez, a real estate company, owns subject's premises.

BANKERS

Bank Hapoalim Ltd., Hayetzira Branch (No. 459), Netanya, account No. 19724.

Mizrahi Tefahot Bank Ltd., Hadera Branch (No. 420), Hadera, account No. 105460.

A check with the Central Bank's Database did not reveal any negative information concerning subject's a/m bank accounts.

Bank Leumi Le'Israel Ltd., Netanya Business Branch (No. 717), Netanya.

CHARACTER AND REPUTATION

Nothing unfavorable learned.

Subject is a veteran business.

From the Central Bureau of Statistics (CBS) data, investments (Gross Domestic Capital Formation) in construction for dwelling (residential buildings) in 2017 rose by 1.2% from the previous year (quantity change), which follows increase of 8.1%, 1.5% & 6% in 2016, 2015 & 2014, respectively.

Investments in construction not for dwelling (public institutions, commercial and industrial building) rose in 2017 by 6.3% (after 2.6% rise in 2016, 1.1% in 2015 and 2% in 2014), while investments in other construction works

(e.g. roads, infrastructure) saw 16.6% climb in 2017, continuing the upward trend (by 3.8%) in 2016 (after declining by 4.2% in 2015 and -15.5% in 2014).

According to the CBS, the investment in construction for dwelling in the 1st half of 2018 plunged 14% compared to the parallel period in 2017.

Investments in infrastructures in 2017 comprised 17.6% of total investments in fixed assets in the market, summing up to NIS 29.9 billion in current prices. Total investments in infrastructures in fixed prices rose by 23.2%, after 2.1% rise in 2016.

Investment in infrastructure in Israel in 2017 summed up at NIS 29.9 billion (in current prices). The investment was divided into the transport -roads and railways- sector NIS 14 billion, energy sector NIS 9.8 billion, water NIS 3 billion, and communications NIS 2.4 billion.

In August 2017 the Government approved an infrastructure development for 2017-2021 in total sum of NIS 116 billion. The plan includes 147 projects in different sectors, notably NIS 88.4 billion in the transportation sector (of which 15% for the light trains projects, 22% roads, 15% railways, 8% public transportation) and NIS 19.2 billion in the energy sector (of which 61% in electricity, 14% in water, 12% gas, 11% wastewater and 2% in fuels). 47% of the total transportation investment already appears in the 2017-18 national budget, and in the energy sector, 40% would come from State funding, the rest from the private sector.

Investments in infrastructure is financed mainly out of the State Annual Budget, and the rest comes from the private sector (including PFI based projects).

The Ministry of Transportation development budget for investments in roads & highways (handled by Israel's National Roads Co.), railways and public transportation rose in the years 2005-2010 by 70%, reaching NIS 8.3 billion in 2010. In following years budget kept rising, and development budget of the Ministry approved for 2014 summed up to NIS 12 - 13 billion (some 50% rise), with further growth in 2015. The Ministry informed in March 2015 that they promote transportation ventures in overall sum of over NIS 100 billion, and annual investment of the projects reaches NIS 15 billion.

SUMMARY

Good for trade engagements.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.54
UK Pound	1	INR 90.31
Euro	1	INR 81.34
ILS	1	INR 19.06

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	SYL

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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)