

MIRA INFORM REPORT

Report No. :	545897
Report Date :	19.12.2018

IDENTIFICATION DETAILS

Name :	REEM BATTERIES & POWER APPLIANCES CO SAOC
Registered Office :	Rusayl Industrial Area, Road No. 7, PO Box: 3, Rusayl 124
Country :	Oman
Financials (as on) :	31.12.2017
Date of Incorporation :	11.07.1982
Com. Reg. No.:	1/13775/1
Legal Form :	Omani Joint Stock Company-Closed
Line of Business :	Subject is engaged in the manufacture and distribution of automotive batteries, heavy duty industrial batteries and UPS systems
No. of Employees :	420

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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
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)
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

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

SUMMARY

Company Name	: REEM BATTERIES & POWER APPLIANCES CO SAOC
Country of Origin	: Oman
Legal Form	: Omani Joint Stock Company-Closed
Registration Date	: 11th July 1982
Commercial Registration Number	: 1/13775/1
Chamber Membership Number	: 610
Issued Capital	: RO 3,000,000
Paid up Capital	: RO 3,000,000
Total Workforce	: 420
Activities	: Manufacture of automotive batteries, heavy duty industrial batteries and UPS systems
Financial Condition	: Fair
Payments	: No complaints
Operating Trend	: Steady

COMPANY NAME

REEM BATTERIES & POWER APPLIANCES CO SAOC

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Location : Rusayl Industrial Area, Road No. 7
PO Box : 3
Town : Rusayl 124
Country : Sultanate of Oman
Telephone : (968) 24445200 / 24446190 / 24446191
Facsimile : (968) 24446190
Mobile : (968) 99386450 / 99353034 / 97887496
Email : reem@omzest.com / reembat@omzest.com / navin.manzor@reembatteries.com

Premises

Subject operates from a large suite of offices and a factory that are owned and located in the Industrial Area of Rusayl.

KEY PRINCIPALS

<u>Name</u>	<u>ID Number</u>	<u>Position</u>
• Salim Ali Hamed Al Hasni	7498903	Chairman
• Nasser Khalifa Nasser Al Kalbani	2033456	Vice Chairman
• Salem Nasser Sultan Al Bortmany	1574513	Director
• Gamal Mohamed Ahmed Abdalla	62163804	Director
• Mathew Zacharia	100545805	Director
• Dattatraya Haribhau Tambekar	60873123	Director
• Rashad Michelle Bryce	761259177	Director
• Srinivathan Raghavan Gopalan	61603805	Chief Executive Officer

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LEGAL FORM & OWNERS

Date of Establishment : 11th July 1982

Legal Form : Societe Anonyme Omani Close - SAOC (Omani Joint Stock Company-Closed)

Commercial Reg. No. : 1/13775/1

Chamber Member No. : 610

Issued Capital : RO 3,000,000

Paid up Capital : RO 3,000,000

<i>Name of Shareholder (s)</i>	<i>Percentage</i>
• Omzest Group of Companies LLC	60%
• Dr Omar Abdulmoiem Al Zawawi	25%
• Approximately 325 private individuals	15%

AFFILIATED COMPANIES

Subject belongs to the Omzest Group of Companies, which contains the following concerns:

- Al Khuwair Development & Services Co SAOG
- Modern Exchange LLC
- Muscat Finance Co Ltd (SAOG)
- Muscat Insurance Company SAOC
- Muscat Life Assurance Company SAOC
- Muscat National Holding Company SAOG
- Oman International Bank SAOG
- Oman Securities' Portfolio Co SAOG
- Omzest Investment Division
- Personal Investments
- Personal Real Estate Department
- United Business & Investment Co
- Wilayat Holding Co
- Wipro Holding Co
- Mideast Integrated Drilling & Well Services
- National Telephone Services Co LLC
- Qurum Contractors LLC
- Al Amal Industries Co (SAOG)

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- Al Wardha Footwear & Leather Products Company
- Amiantit Oman SAOC
- Areej Vegetable Oils & Derivatives SAOG
- Bausher Chemicals SAOG
- Decorative Glass Manufacturing LLC
- Jyoti Sohar Switchgear LLC
- Keemya Oman SAOG
- Modern Poultry Farms Company SAOG
- National Heaters Industries Co LLC
- Oman Agriculture Development Company SAOG
- Oman Fiber Optic Co SAOG
- Oman Textile Mills Co SAOG
- Oman Water Pumps Mfg Co SAOG
- Oman Water Treatment
- Omani Marble Company LLC
- Protein Products International LLC
- Waleed Associates LLC
- Riyam Investment & Trading Est LLC
- Sadolin Paints (Oman) Ltd
- The National Detergent Company SAOG
- Advertising International Company SAOC
- Al-Rimah Medical Centre LLC
- Circle Freight International (Oman)
- Gulf of Oman Services
- Gulf Seagull Co
- Impact Films LLC
- Maersk Shipping Services & Co LLC
- Mezzoon Travel LLC
- Muscat Contract Cleaning & Maintenance LLC
- Riyam Computer Services LLC
- Waleed Catering & Services Co LLC (WACASCO)
- YBA Kanoo (Oman)
- Areej Business Systems Co LLC
- Bishara Establishment LLC
- General Electronics & Trading Co
- Medical & Scientific Supplies LLC
- Muscat Cold Stores LLC
- National Oilfield Supply Co LLC
- Office Supplies Co LLC
- Oman Mechanical Services Co Ltd LLC (OMSC)
- Oman Services & Supply Organisation
- Omzest Beijing
- Omzest Business Division
- Reem Scientific & Energy Technologies & Trade LLC
- Riyam Engineering & Services LLC
- Riyam Marketing & Services Co LLC

- Waleed Communications Co (WACOM) Ltd
- Waleed Pharmacy LLC
- Waljat Modern Technology
- Zawawi Business Machines LLC
- Zawawi Trading Company LLC

OPERATIONS

Activities: Engaged in the manufacture and distribution of automotive batteries, heavy duty industrial batteries and UPS systems.

Subject was set up in technical collaboration with Johnson Controls Battery Group of the USA. It is ISO 9001:2000 accredited.

The company's clients include defence forces in Oman, UAE, Qatar, Bahrain, and Syria.

Production Capacity: 1.75 million batteries per annum

Import Countries: United States of America and Europe

Export Countries: Subject's exports account for 90% of its sales with markets throughout the Middle East, Europe, Asia and Africa

Brand Names: ANTARA, ANTARA GOLD, POWERPACK, GULFSTAR and GULFRACER

Operating Trend: Steady

Subject has a workforce of approximately 420 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Riyal Omani (RO)

	Year Ending 31/12/16:	Year Ending 31/12/17:
Total Sales	RO 19,000,000	RO 20,000,000

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

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

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BANKERS

- Standard Chartered Bank
PO Box: 2353
Ruwi 112
Tel: (968) 24703999 / 24703796 / 24703574
Fax: (968) 24796864
- Oman Arab Bank
Muttrah Business District
PO Box: 2010, Ruwi 112
Muscat
Tel: (968) 24700161 / 24706265 / 24706267
Fax: (968) 24797736

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

GENERAL COMMENTS

Established in 1982, subject belongs to the Omzest group of companies, a very large and well-known group that contains some of the leading Omani companies. Reem Batteries & Power Appliances Co SAOC is the largest dry charged battery manufacturing company in the Middle East.

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.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.19
UK Pound	1	INR 89.88
Euro	1	INR 80.76
OMR	1	INR 182.12

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

INFORMATION DETAILS

Analysis Done by :	DIV
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)