

MIRA INFORM REPORT

Report No. :	545639
Report Date :	20.12.2018

IDENTIFICATION DETAILS

Name :	BAALBAKI GROUP SA (OFFSHORE) LTD
Registered Office :	Hamriyah Free Zone, Plot I J22-24, P O Box: 42448, Sharjah
Country :	United Arab Emirates
Date of Incorporation :	16.03.2005
Legal Form :	Free Zone Company - FZCO
Line of Business :	Import and distribution of pre-polymer and polyurethane systems.
No. of Employees :	15

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: while quoting report number, name and date.

ECGC Country Risk Classification List

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Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
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	: BAALBAKI GROUP SA (OFFSHORE) LTD
Also Known As	: BAALBAKI CHEMICAL INDUSTRIES
Country of Origin	: Sharjah, United Arab Emirates
Legal Form	: Free Zone Company - FZCO
Registration Date	: 16 th March 2005
Trade Licence Number	: 6838
Industrial Licence Number	: 1072
Tax Registration Number	: 100030559700003
Issued Capital	: UAE Dh 150,000
Paid up Capital	: UAE Dh 150,000
Total Workforce	: 15
Activities	: Distributors of pre-polymer and polyurethane systems
Financial Condition	: Undetermined
Payments	: No Complaints

COMPANY NAME

BAALBAKI GROUP SA (OFFSHORE) LTD

ALSO KNOWN AS

BAALBAKI CHEMICAL INDUSTRIES

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Location : Hamriyah Free Zone, Plot I J22-24

PO Box : 42448

Town : Sharjah

Country : United Arab Emirates

Telephone : (971-6) 5261788 / 5260788

Facsimile : (971-6) 5261799

Mobile : (971-50) 9427903 / 3090849 / (971-55) 5792748

Email : friaz@baalbaki.com / k khayay@bciholding.com / tnoufal@bciholding.com / mmasri@bciholding.com

Premises

Subject operates from a small suite of offices and a warehouse that are rented and located in the Hamriyah Free Zone Area of Sharjah.

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
• Dr Ihsan Bin Omar Baalbaki	Managing Director
• Karim Ihsan Bin Omar Baalbaki	Director
• Faruk Riaz	Technical Manager

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|--------------------|------------------------|
| • Khalid Khayat | Commercial Manager |
| • Abid Hadad | Administration Manager |
| • Mohamed El Masry | Accounting Manager |
| • Tariq Nofal | Accountant |

LEGAL FORM & OWNERS

Date of Establishment : 16th March 2005

Legal Form : Free Zone Company - FZCO

Trade Licence No. : 6838

Industrial Licence No. : 1072

Tax Reg. No. : 100030559700003

Issued Capital : UAE Dh 150,000

Paid up Capital : UAE Dh 150,000

Name of Shareholder (s)

- Dr Ihsan Bin Omar Baalbaki
- Karim Ihsan Bin Omar Baalbaki

AFFILIATED COMPANIES

- Baalbaki Egypt For Chemical Industries SAE
1st Industrial Zone
6th of October City
Egypt
Tel: (20-2) 38200136
- BCI Polyurethane Europe Srl
Piazzale Cocchi 22
21040 Vedano Olona
Italy
Tel: (39-332) 404225
Fax: (39-332) 402588

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- BCI Holding SA
Baalbaki Building
Abdel Aziz Street
Hamra
PO Box: 1135465
Beirut
Lebanon
Tel: (961-1) 347616
Fax: (961-1) 353921

OPERATIONS

Activities: Engaged in the import and distribution of pre-polymer and polyurethane systems.

In December 2011, in a further step to fortify its position as the leading polyurethane systems and polyurethane raw material supplier in the Middle East, Baalbaki announced that it has commenced construction of its new 40,000 MT Polyester and Pre-polymer production plants on its existing 30,000 sqm industrial site at Hamriyah Free Zone, Sharjah UAE.

The new plant enables Baalbaki to serve the GCC, India, Pakistan and Iran with footwear, rigid, cold cure polyurethane systems, aromatic and aliphatic polyester polyols, as well as specialty polyurethane and food packaging adhesives.

Baalbaki is the pioneer in introducing aromatic and aliphatic polyester polyol technology including "green technology" to produce polyester polyols based on scrap PET, into the GCC. "Baalbaki remains the only manufacturer of this product in the Arab World and the largest manufacturer in the Middle East and Africa regions for this product range," commented Dr Ihsan Bin Omar Baalbaki, Chairman of Baalbaki Group.

Import Countries: Germany and Saudi Arabia

International Suppliers:

- BASF Germany
- Solvey Chemicals Germany
- Brenntag Germany
- SABIC Saudi Arabia
- Balmer Lawrie Dubai
- Fujairah Drums & Barrel Fujairah

Subject has a workforce of 15 employees.

FINANCIAL DATA

Companies registered in Sharjah, United Arab Emirates are not legally required to make their accounts public and no financial information was released by the company or submitted by outside sources.

BANKERS

- Sharjah Islamic Bank
Al Boorj Avenue
PO Box: 4
Sharjah
Tel: (971-6) 5547747

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.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.11
UK Pound	1	INR 88.74
Euro	1	INR 79.82
UAE Dh	1	INR 19.21

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)