

MIRA INFORM REPORT

Report No. :	517332
Report Date :	29.06.2018

IDENTIFICATION DETAILS

Name :	GULF BUSINESS MACHINE DISTRIBUTION (GBM DISTRIBUTION)
Registered Office :	Warehouse No. WB04, Jebel Ali Free Zone, PO Box: 16829, Dubai
Country :	United Arab Emirates
Financials (as on) :	31.12.2017
Date of Incorporation :	15.08.1991
Legal Form :	Branch of a Foreign Registered Corporation
Line of Business :	Subject is engaged in the import and distribution of computers and related consumables
No. of Employees :	30

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 :	Branch of a Foreign Registered Corporation
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

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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 has announced plans to introduce excise and value-added taxes by January 1, 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	: GULF BUSINESS MACHINE DISTRIBUTION (GBM DISTRIBUTION)
Country of Origin	: Bahrain
Legal Form	: Branch of a Foreign Registered Corporation
Registration Date	: 15th August 1991
Trade Licence Number	: 662
Chamber Membership Number	: 23163
Total Workforce	: 30
Activities	: Distributors of computers and related consumables
Financial Condition	: Good
Payments	: No complaints
Person Interviewed	: Abdul Naser Alabi, Finance Manager

COMPANY NAME

GULF BUSINESS MACHINE DISTRIBUTION (GBM DISTRIBUTION)

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Location : Warehouse No. WB04, Jebel Ali Free Zone

PO Box : 16829

Town : Dubai

Country : United Arab Emirates

Telephone : (971-4) 8835652 / 4511999

Facsimile : (971-4) 8835613

Mobile : (971-50) 5424795 / 223883

Email : emad@gbme.ae / kl@gbme.ae

Premises

Subject operates from a medium sized suite of offices and a warehouse that are rented and located in the Jebel Ali Free Zone Area of Dubai.

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
• Akram Ayad	General Manager
• Emad Abu Saqer	Logistics Manager
• Abdul Naser Alabi	Finance Manager
• Kelvin Lamban	Public Relations Officer

LEGAL FORM & OWNERS

Date of Establishment : 15th August 1991

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Legal Form : Subject is the Dubai registered branch of Gulf Business Machines BSCC, a Bahraini Shareholding Closed Company incorporated in Bahrain.

Gulf Business Machine Distribution in Dubai, operates as a Branch of a Foreign Registered

Corporation with its registered office located at the following address:

Gulf Business Machines BSCC

MS Centre, Block 436, Building No. 22, Al Salaam Bank Building

Road No. 58

Al Seef District

PO Box: 140

Manama

Bahrain

Tel: (973-17) 535455 / 584333

Fax: (973-17) 535405 / 584334 / 584343

Under these circumstances, we strongly advise that any international trade credit should only be written under the name of the main company where the subject holds its registered office, in this case Bahrain.

Trade Licence No. : 662 (Expires 14/04/2019)

Chamber Mem No. : 23163

AFFILIATED COMPANIES

- Gulf Business Machines BSCC (Branch)
Dubai
Lice No. 533751

OPERATIONS

Activities: Engaged in the import and distribution of computers and related consumables.

Subject is an authorized IBM Service Centre with full testing, warranty and repair facilities. In addition, the subject has an advanced Configuration Centre, where computer hardware is pro-configured to end-user requirements and tested prior to shipping.

International Suppliers:

- IBM United States of America

Brand Names: IBM, LENOVO, DTK, MGE, LOTUS and MICROSOFT

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Subject has a workforce of 30 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: United States Dollars (US\$)

Year Ending 31/12/17:

Total Sales US\$ 50,000,000

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

The above figures were provided by Abdul Naser Alabi, Finance Manager

BANKERS

- Habib Bank Ltd
Murshid Bazaar
PO Box: 888
Dubai
Tel: (971-4) 2221281
Fax: (971-4) 2284631

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

GENERAL COMMENTS

Please note that the correct name of the subject is "Gulf Business Machine Distribution (GBM Distribution)" and not "Gulf Business Machines – Personal Systems Division".

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.

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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 68.94
UK Pound	1	INR 90.21
Euro	1	INR 79.64
UAE Dh	1	INR 18.63

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)