

## MIRA INFORM REPORT

Report No. :	520837
Report Date :	20.07.2018

### IDENTIFICATION DETAILS

Name :	SIGMA PAINTS SAUDI ARABIA LIMITED
Registered Office :	Dammam – Al Khobar Highway, 1st Industrial City, PO Box, 7509, Dammam 31472
Country :	Saudi Arabia
Financials (as on) :	31.12.2017
Date of Incorporation :	07.10.1980
Com. Reg. No.:	2050009638
Legal Form :	Limited Liability Partnership
Line of Business :	Subject is engaged in the manufacture of paint and coatings
No. of Employees :	550

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> 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](mailto:infodept@mirainform.com) while quoting report number, name and date.

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**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Saudi Arabia	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

**SAUDI ARABIA - ECONOMIC OVERVIEW**

Saudi Arabia has an oil-based economy with strong government controls over major economic activities. It possesses about 16% of the world's proven petroleum reserves, ranks as the largest exporter of petroleum, and plays a leading role in OPEC. The petroleum sector accounts for roughly 87% of budget revenues, 42% of GDP, and 90% of export earnings.

Saudi Arabia is encouraging the growth of the private sector in order to diversify its economy and to employ more Saudi nationals. Approximately 6 million foreign workers play an important role in the Saudi economy, particularly in the oil and service sectors; at the same time, however, Riyadh is struggling to reduce unemployment among its own nationals. Saudi officials are particularly focused on employing its large youth population.

In 2017, the Kingdom incurred a budget deficit estimated at 8.3% of GDP, which was financed by bond sales and drawing down reserves. Although the Kingdom can finance high deficits for several years by drawing down its considerable foreign assets or by borrowing, it has cut capital spending and reduced subsidies on electricity, water, and petroleum products and recently introduced a value-added tax of 5%. In January 2016, Crown Prince and Deputy Prime Minister MUHAMMAD BIN SALMAN announced that Saudi Arabia intends to list shares of its state-owned petroleum company, ARAMCO - another move to increase revenue and outside investment. The government has also looked at privatization and diversification of the economy more closely in the wake of a diminished oil market. Historically, Saudi Arabia has focused diversification efforts on power generation, telecommunications, natural gas exploration, and petrochemical sectors. More recently, the government has approached investors about expanding the role of the private sector in the health care, education and tourism industries. While Saudi Arabia has emphasized their goals of diversification for some time, current low oil prices may force the government to make more drastic changes ahead of their long-run timeline.

Source : CIA

## **SUMMARY**

Company Name	: SIGMA PAINTS SAUDI ARABIA LIMITED
Country of Origin	: Saudi Arabia
Legal Form	: Limited Liability Partnership
Registration Date	: 7th October 1980
Commercial Registration Number	: 2050009638, Dammam
Membership Number	: 782
Industrial Licence Number	: 124
Issued Capital	: SR 24,200,000
Paid up Capital	: SR 24,200,000
Total Workforce	: 550
Activities	: Manufacturers of paint and coatings
Financial Condition	: Good
Payments	: No Complaints
Operating Trend	: Steady

## **COMPANY NAME**

SIGMA PAINTS SAUDI ARABIA LIMITED

## **ADDRESS**

### **REGISTERED & PHYSICAL ADDRESS**

Street : Dammam – Al Khobar Highway  
Location : 1st Industrial City  
  
PO Box : 7509  
  
Town : Dammam 31472  
Country : Saudi Arabia  
  
Telephone : (966-13) 8473100 / 8573436 / 8573800  
Facsimile : (966-13) 8471734  
Email : [info@sigmapaints.com](mailto:info@sigmapaints.com)

### **Premises**

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

### **Branch Office (s)**

<u>Location</u>	<u>Description</u>
<ul style="list-style-type: none"><li>Al Sulaimaniah Area Riyadh Tel: (966-11) 4870277 Fax: (966-11) 4891697</li></ul>	Office premises
<ul style="list-style-type: none"><li>Al Khomra Area Jeddah Tel: (966-12) 6831096 Fax: (966-12) 6827562</li></ul>	Office premises

## **KEY PRINCIPALS**

<u>Name</u>	<u>Position</u>
• Sami Khalifa Al Gosaibi	Managing Partner
• Sami Sulaiman Humoud Ibrahim Al Obaidallah	Partner
• Mansour Abdul Rahman Al Mansour Al Zamil	Partner
• Khalid Al Zamil	Partner
• Mark Van Deman	General Manager
• Jamal Angaar	Technical Manager
• Abdul Majeed Al Bahloui	Commercial Manager
• Rozan Jefferi	Finance Manager
• Antone Legwis	Marketing Manager
• Aftab Alla	Financial Controller

## **LEGAL FORM & OWNERS**

**Date of Establishment** : 28/11/1400 Hijri (corresponding to 7<sup>th</sup> October 1980)

**Legal Form** : Limited Liability Partnership

**Commercial Reg. No.** : 2050009638, Dammam

**Membership No.** : 782

**Industrial Licence No.** : 124

**Issued Capital** : SR 24,200,000

**Paid up Capital** : SR 24,200,000

<u>Name of Partner (s)</u>	<u>Percentage</u>
• Khalifa Abdul Rahman Al Gosaibi Holding Co	29%
• Sigma Coating BV	20%

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Netherlands

- Mansour Abdul Rahman Al Mansour Al Zamil 17%
- Sami Sulaiman Humoud Ibrahim Al Obaidallah 17%
- Hamad Abdullah Al Zamil & Bros 17%

## **OPERATIONS**

**Activities:** Engaged in the manufacture of paint and coatings.

Subject is ISO 9001 accredited.

**Import Countries:** Europe and the United States of America.

**Brand Names:** SIGMA

**Operating Trend:** Steady

Subject has a workforce of approximately 550 employees.

## **FINANCIAL DATA**

Financial highlights provided by local sources are given below:

Currency: Saudi Riyals (SR)

	Year Ending 31/12/16:	Year Ending 31/12/17:
Total Sales	SR 332,000,000	SR 340,000,000

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

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

## **BANKERS**

- National Commercial Bank  
PO Box: 13

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Dammam 31411  
Tel: (966-13) 8331188  
Fax: (966-13) 8336058

- Arab National Bank  
King Street  
PO Box: 18  
Dammam 31411  
Tel: (966-13) 8323440  
Fax: (966-13) 8337829

## ***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.

Local sources report that payment obligations are met in a generally timely manner and the operating history is clear. As such the company is deemed a fair trade risk.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.83
UK Pound	1	INR 89.93
Euro	1	INR 80.12
SAR	1	INR 18.37

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

**INFORMATION DETAILS**

Analysis Done by :	PRI
Report Prepared by :	KET

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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)