

MIRA INFORM REPORT

Report No. :	538189
Report Date :	01.11.2018

IDENTIFICATION DETAILS

Name :	BAHWAN ENGINEERING CO LLC (BEC)
Registered Office :	Bahwan Centre Sultan Qaboos Street Al Ghoubra, Ruwi PO Box 703 Muscat 112
Country :	Oman
Financials (as on) :	31.12.2017
Date of Incorporation :	19.01.1977
Com. Reg. No.:	1/04638/1
Legal Form :	Limited Liability Company – LLC
Line of Business :	Subject's operations are performed through the following divisions: <ul style="list-style-type: none"> • Oil, Gas & Power Projects Division • Mechanical & Electrical Construction Division • Instrumentation Division • Water And Waste Water Treatment Division • Civil Construction Division • Elevators & Escalators Division • Diesel Power Generation Division • Mechanical & Electrical Products Division • BEC Facilities Management & Maintenance Division
No. of Employees :	13,000

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

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Maximum Credit Limit :	USD 6,250,000
Status :	Good
Payment Behaviour :	Regular
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

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	: BAHWAN ENGINEERING CO LLC (BEC)
Country of Origin	: Oman
Legal Form	: Limited Liability Company – LLC
Registration Date	: 19 th January 1977
Commercial Registration Number	: 1/04638/1, Muscat
Chamber Membership Number	: 190
Issued Capital	: RO 565,000
Paid up Capital	: RO 565,000
Total Workforce	: 13,000
Activities	: Subject operates several divisions (see below for details)
Financial Condition	: Good
Payments	: Regular
Operating Trend	: Steady
Recommended Credit Limit	: US\$ 6,250,000

COMPANY NAME

BAHWAN ENGINEERING CO LLC (BEC)

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Building : Bahwan Centre
Street : Sultan Qaboos Street
Area : Al Ghoubra, Ruwi

PO Box : 703

Town : Muscat 112
Country : Sultanate of Oman

Telephone : (968) 24597510 / 24594702 / 24597515 / 24597527

Facsimile : (968) 24597511

Mobile : (968) 99207516

Email : becoman@becoman.com / becho@omantel.net.om / ananthan.finance@becoman.com

Premises

Subject operates from a large suite of offices that are owned and located in the Central Business Area of Muscat.

Branch Office (s)

<u>Location</u>	<u>Description</u>
<ul style="list-style-type: none">• PO Box: 2896 Salalah Tel: (968) 23292692 Fax: (968) 23292254	Office premises
<ul style="list-style-type: none">• PO Box: 25173 Dubai United Arab Emirates Tel: (971-4) 3475878 Fax: (971-4) 3471855	Office premises
<ul style="list-style-type: none">• PO Box: 31747 Abu Dhabi United Arab Emirates Tel: (971-2) 6414316	Office premises

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Fax: (971-2) 6414317

Subject also operates offices located in Wadi Kabir, Azaiba, Seeb Souk, Ibri, Nizwa, Barka, Ibra, Sohar and Sur.

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
• Sheikh Suhail Salem Abdullah Bahwan	Managing Director
• Omar Suhail Salem Abdullah Bahwan	Director
• Othman Suhail Salem Abdullah Bahwan	Director
• Ali Suhail Salem Abdullah Bahwan	Director
• C K Khanna	General Manager
• Shamseddine Sheikh	Financial Controller
• Ajit Walvakar	Chief Operating Officer
• Padamabhan Ananthan	Chief Financial Officer
• Santosh Nair	Commercial Manager
• Goss Ahmed	Legal Manager
• Chandra Mulay	Assistant Finance Manager

LEGAL FORM & OWNERS

Date of Establishment : 19th January 1977

Legal Form : Limited Liability Company – LLC

Commercial Reg. No. : 1/04638/1, Muscat

Chamber Member No. : 190

Issued Capital : RO 565,000

Paid up Capital : RO 565,000

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<i>Name of Shareholder (s)</i>	<i>Percentage</i>
• Omar Suhail Salem Abdullah Bahwan	34%
• Othman Suhail Salem Abdullah Bahwan	33%
• Ali Suhail Salem Abdullah Bahwan	33%

AFFILIATED COMPANIES

Subject is a member of the well known Suhail & Saud Bahwan group of companies that comprises the following concerns:

- Al Gaddag Engineering LLC
PO Box: 168
Muscat
Tel: (968) 24712470
- Suhail & Saud Bahwan Building Materials LLC
PO Box: 169
Muscat
Tel: (968) 24797581
Fax: (968) 24797169
- Suhail & Saud Bahwan Building Materials LLC
Al Qurum District
PO Box: 3168 / 703, Ruwi 112
Muscat
Tel: (968) 24700983 / 24793741 / 24561377
Fax: (968) 24793755
- Amiantit Oman SAO
PO Box: 1417
Seeb
Tel: (968) 25626600
- Arab Merchants Co LLC
PO Box: 6228
Muscat
Tel: (968) 24701221
- Arabian Car Marketing Co LLC
PO Box: 169
Muscat
Tel: (968) 24793741
Fax: (968) 24796158

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- Arabian Caravans Furnishing & Trading Co LLC
PO Box: 169
Muscat
Tel: (968) 24797596
Fax: (968) 24562089
- Auto Parts Centre LLC
PO Box: 2619
Muscat
Tel: (968) 24564308
Fax: (968) 24564309
- Automobile Automotive Centre
PO Box: 6168
Muscat
Tel: (968) 24561377
Fax: (968) 24561631
- Bahwan Contracting Company LLC
PO Box: 4098
Muscat
Tel: (968) 24591092
Fax: (968) 24591098
- Bahwan Foods (Khalijana) Co LLC
PO Box: 3711
Muscat
Tel: (968) 24592492
- Bahwan Travel Agencies LLC
PO Box: 282
Muscat
Tel: (968) 24740455
Fax: (968) 24700483
- Bahwan Trading Company LLC
Suhail Bahwan Building
Ruwi
PO Box: 169 & 2
Muscat 113
Tel: (968) 24793750 / 24793741
Fax: (968) 24796158
- Delta Ltd
PO Box: 4537
Muscat
Tel: (968) 24708483

- Ebin Rushed Pharmacy Co LLC
PO Box: 169
Muscat
Tel: (968) 24701557
Fax: (968) 24701547
- International Equipment & Contracting Co LLC
PO Box: 169
Muscat
Tel: (968) 24714482
Fax: (968) 24793755
- National Crushers
PO Box: 961
Muscat
Tel: (968) 24591461
- Rent-A-Car LLC
PO Box: 282
Muscat
Tel: (968) 24561427
Fax: (968) 24700483
- Utmost Building Materials Co LLC
Al Burj Building, 1st Floor
Deira
PO Box: 55014
Dubai
United Arab Emirates
Tel: (971-4) 3553883
Fax: (971-4) 3553776
- Gulf Mercantile Trading
Al Burj Building, 1st Floor
Deira
PO Box: 55014
Dubai
United Arab Emirates
Tel: (971-4) 3553883
Fax: (971-4) 3553776
- Mercantile Information & Telecommunication Technology Est (MITTE)
Sheikha Aisha Building
Al Salam Street
PO Box: 41175
Abu Dhabi
United Arab Emirates

Tel: (971-2) 6458909
Fax: (971-2) 6458907

- Al Mutawah Trading Co LLC
Al Mutawah Building
Sultan Qaboos Street
Al Ghobra
PO Box: 17, Muttrah 114
Muscat
Tel: (968) 24591871 / 591872 / 591521
Fax: (968) 24592370
- Al Omaniya Automobile Marketing LLC
PO Box: 2619
Seeb
Tel: (968) 25560925
Fax: (968) 25564309
- Arabian Engineering Services LLC
PO Box: 6000
Muscat
Tel: (968) 24561377
Fax: (968) 24561631
- Bilad (Oman) LLC
PO Box: 42006
Rusayl
Tel: (968) 24626001
Fax: (968) 24591098
- Electronics Company LLC
PO Box: 8111
Muttrah
Tel: (968) 24793741
Fax: (968) 24796158
- Inma Company Oman LLC
PO Box: 3760
Muscat
Tel: (968) 24562100
Fax: (968) 24562039
- Port Services Corp SAOG
PO Box: 133
Muscat
Tel: (968) 24714001
Fax: (968) 24714007

- Qurum Contractors LLC
PO Box: 7003
Muscat
Tel: (968) 24562720
- Sogex Oman LLC
PO Box: 4739
Muscat
Tel: (968) 24563055
Fax: (968) 24564608
- Universal Engineering Services LLC
PO Box: 2688
Muscat
Tel: (968) 24597531
Fax: (968) 24597514
- Bahwan Contracting Company LLC
PO Box: 1098
Muscat
Tel: (968) 24591092
Fax: (968) 24591098
- Multitech LLC
Muscat

OPERATIONS

Activities: Subject's operations are performed through the following divisions:

- **Oil, Gas & Power Projects Division**

These operations encompass several aspects of engineering construction on a turnkey basis comprising Design, Supply, Installation, Testing, Commissioning and Maintenance. Projects include installations related to large power houses comprising 132KV Transmission Lines, Indoor and Outdoor Gas Insulated Switchgears and 132KV live line washing.

In September 2015, OETC Awards Electrical Projects Division 2 High Value Projects on the same day:

- 1) 400/220kV Substation Project (1st 400kV Project for BEC)**

This design and build project for major 400/220kV substation will be evacuating total power of upcoming 400kV lbri IPP.

This is strategically important to BEC as with this project BEC has entered into the elite league of international EPC contractors capable of executing 400kV substation projects and will notch up our credentials and reputation locally and internationally.

Project involves high end equipment like 400kV and 220kV Gas Insulated switchgears, 500MVA transformers and all other aux., control and automation systems.

2) 220kV Substation Project

This design and build project for 220kV substation at Mabella will be connecting 220kV and 132kV grids of OETC.

In August 2016, PDO awarded the subject a large EPC Contract for the Saih Rawl Power Station Project. This project comprises conversion of existing Open Cycle Power Plant to Combined Cycle Power Plant on Engineering, Procurement, Construction, Commissioning and Initial Operation Basis. It involves Heat Recovery Steam Generator, Steam Turbine Generator, Integration with existing Gas Turbine Generator and the Balance of Plant.

Mechanical & Electrical Construction Division

Building Services Division has diverse experience in executing Mechanical & Electrical installations for Hotels, Hospitals, Airports, Palaces, Ministry & Bank Headquarters, Commercial Complexes and Industrial Projects. The division is geared to execute installation of Central Air Conditioning Systems, Plumbing & Sanitation, Electrical and specialised systems like Medical Gases, Nurse Call, Incinerators, Surgical Panels, Operation Theatre Lighting, Fire Alarm, Vacuum & Compressed Air, Boilers, Kitchen & Laundry equipment, Building Management Systems

Instrumentation Division

Engaged in planning, Installation, Testing and pre-commissioning of industrial projects in Control, Automation and Instrumentation construction projects. It also undertakes small / medium projects on Engineering, Procurement and Construction basis (EPC) to construction of large projects of 10,000 and more loops in Oil & Gas, Power, Water sector.

Water And Waste Water Treatment Division

Water and waste water treatment operations offer construction solutions & maintenance for Desalination Plants & Sewage Treatment Plants. The division also executes indoor and outdoor Reverse Osmosis Plants for specialised uses such as hospitals & Industrial Projects

Civil Construction Division

Established in 1975, this division specialises in total project management of Industrial Projects, Commercial Buildings, Residential Buildings, Schools and Mosques.

Elevators & Escalators Division

This division undertakes projects involving supply, installation and maintenance of elevators and escalators on turnkey basis. The division is also involved in installing equipment such as Dock levelers, Lifting Platforms, Special Freight Platforms, Scissor Lift Platforms for Airports and EOT Cranes. Some of the large projects

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include installation of Trav-O-lator, the longest inclined walkway in the Gulf; 13 hospital elevators and 5 passenger elevators with VVVF Drive for Sohar Hospital, Oman and fastest moving (2.5 meters per second) Elevators for National bank of Oman headquarters.

• **Diesel Power Generation Division**

This operation integrates supply, installation, commissioning and maintenance of diesel power generation projects.

• **Mechanical & Electrical Products Division**

The mechanical products division's portfolio encompasses trading in products covering the broad spectrum of the Building Services Industry. From Air-conditioning to Heating, Ventilation, Filtration, Building Management Systems, Piping & Valves, to Air Distribution, the Division represents more than 30 Principals worldwide.

• **BEC Facilities Management & Maintenance Division**

BEC ensures satisfactory performance of the installations with Planned Preventive Maintenance schedules, which reduces the Down Time to the minimum. This division employs 900 people.

In December 2015, Oman Airport Management Company (OAMC) awards BEC Facilities Management & Maintenance Division a contract for Salalah Airport.

The Significant Project includes Operation & Maintenance Services of

1. Passenger Terminal Building
2. District Cooling System

BEC is already carrying out the Operation & Maintenance of Muscat International Airport and this repeated order from OAMC demonstrates their trust and BEC's strength & capability in this sector.

Import Countries: Europe, Asia and the United States of America

Operating Trend: Steady

Subject has a workforce of approximately 13,000 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:

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Total Sales RO 305,000,000 RO 310,750,000

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

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

BANKERS

- Oman Arab Bank
Muttrah Business District
PO Box: 2010, Ruwi 112
Muscat
Tel: (968) 24700161 / 24706265 / 24706267
Fax: (968) 24797736
- Oman International Bank
Al Jaame Street
PO Box: 4216
Muscat
Tel: (968) 24703614 / 24707328 / 24793450
- HSBC Bank Middle East
Muttrah Business District
PO Box: 240, Ruwi 112
Muscat
Tel: (968) 24700810 / 24799920 / 24799927
Fax: (968) 24704241

PAYMENT HISTORY

Regular

CREDIT LIMIT

Recommended credit limit: US\$ 6,250,000

GENERAL COMMENTS

Please note that the correct name of the subject is "Bahwan Engineering Co LLC (BEC)" and not "Bhawan Engg Company LLC".

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Bahwan Engineering Co LLC (BEC) is a leading concern in Oman and a member of the Suhail & Saud Bahwan group of companies, which is a major player in the Omani economy with over 30 diversified concerns.

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 73.99
UK Pound	1	INR 94.10
Euro	1	INR 83.92
UAE DH	1	INR 190.95

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

INFORMATION DETAILS

Analysis Done by :	VIV
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)