

MIRA INFORM REPORT

Report No. :	538005
Report Date :	10.11.2018

IDENTIFICATION DETAILS

Name :	E. GUL ASSETS AND INVESTMENTS LTD.
Registered Office :	Beit Halevi 4287000
Country :	Israel
Date of Incorporation :	10.11.1999
Legal Form :	Private Limited Company
Line of Business :	<ul style="list-style-type: none"> Manufacturers and marketers of metal profiles for building Importers and marketers of building profiles (plaster profiles, P.V.C. profiles, etc.) and plastering corners for construction.
No. of Employees :	17

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Unknown
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)
Israel	B1	B1

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

ISRAEL - ECONOMIC OVERVIEW

Israel has a technologically advanced free market economy. Cut diamonds, high-technology equipment, and pharmaceuticals are among its leading exports. Its major imports include crude oil, grains, raw materials, and military equipment. Israel usually posts sizable trade deficits, which are offset by tourism and other service exports, as well as significant foreign investment inflows.

Between 2004 and 2013, growth averaged nearly 5% per year, led by exports. The global financial crisis of 2008-09 spurred a brief recession in Israel, but the country entered the crisis with solid fundamentals, following years of prudent fiscal policy and a resilient banking sector. Israel's economy also weathered the 2011 Arab Spring because strong trade ties outside the Middle East insulated the economy from spillover effects.

Slowing domestic and international demand and decreased investment resulting from Israel's uncertain security situation reduced GDP growth to an average of roughly 2.8% per year during the period 2014-17. Natural gas fields discovered off Israel's coast since 2009 have brightened Israel's energy security outlook. The Tamar and Leviathan fields were some of the world's largest offshore natural gas finds in the last decade. Political and regulatory issues have delayed the development of the massive Leviathan field, but production from Tamar provided a 0.8% boost to Israel's GDP in 2013 and a 0.3% boost in 2014. One of the most carbon intense OECD countries, Israel generates about 57% of its power from coal and only 2.6% from renewable sources.

Income inequality and high housing and commodity prices continue to be a concern for many Israelis. Israel's income inequality and poverty rates are among the highest of OECD countries, and there is a broad perception among the public that a small number of "tycoons" have a cartel-like grip over the major parts of the economy. Government officials have called for reforms to boost the housing supply and to increase competition in the banking sector to address these public grievances. Despite calls for reforms, the restricted housing supply continues to impact younger Israelis seeking to purchase homes. Tariffs and non-tariff barriers, coupled with guaranteed prices and customs tariffs for farmers kept food prices high in 2016. Private consumption is expected to drive growth through 2018, with consumers benefitting from low inflation and a strong currency.

In the long term, Israel faces structural issues including low labor participation rates for its fastest growing social segments - the ultraorthodox and Arab-Israeli communities. Also, Israel's progressive, globally competitive, knowledge-based technology sector employs only about 8% of the workforce, with the rest mostly employed in manufacturing and services - sectors which face downward wage pressures from global competition. Expenditures on educational institutions remain low compared to most other OECD countries with similar GDP per capita.

Source : CIA

COMPANY NAME AND ADDRESS

E. GUL ASSETS AND INVESTMENTS LTD.

Telephone 972 9 898 91 12
Mobile 972 50 599 01 99 (Itzik Abuhatzera)
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Email: gulpro@gulpro.com

Mailing Address

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KFAR YONA 4035001 ISRAEL

Physical Address

BEIT HALEVI 4287000 ISRAEL

HISTORY & LEGAL FORMATION

A private limited company, incorporated as per file No. 51-285266-6 on the 10.11.1999.

SHARE CAPITAL

Authorized share capital NIS 29,400.00, divided into -
29,400 ordinary shares of NIS 1.00 each,
of which 100 shares amounting to NIS 100.00 were issued.

SHAREHOLDERS

Subject is fully owned by Eitan Gul.

SOLE DIRECTOR

Itzik Abuhatzera, General Manager.

BUSINESS

Operating in the following line of activities:

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1. Importers and marketers of building profiles (plaster profiles, P.V.C. profiles, etc.) and plastering corners for construction.
2. Manufacturers and marketers of metal profiles for building.

Subject ceased to import concrete casting sleeves as well as operating in the real estate field (leasers of real estate properties).

Among clientele: RUTENBERG M. & SONS, SABAN H. BUILDING MATERIALS, SUPERDEAL, and more.

Sole local representatives of PROTEKTORWERK, of Germany.

Operating from rented premises (office, plant and warehouse), on an area of 1,200 sq. meters, in Beit Halevi Village ("Moshav Beit Halevi", where "moshav" is a local typical village or settlement, in particular a type of cooperative agricultural community of individual farms), situated east of Netanya.

Note: Itzik Abuhatzera informs us that subject is in the process of moving to rented premises, on an area of 1,400 sq. meters, in Bachan Zemer Industrial Zone, Zemer Regional Council. Move is expected to be completed in mid/end November 2018.

Website: www.gulpro.com

Having 17 employees (had 15 employees in 2016, same as in 2014).

MEANS

Current stock is valued at NIS 1,400,000 (was valued at NIS 1,100,000 in 2016).

Other financial data not forthcoming.

There are 7 charges for unlimited and limited amounts registered on the company's assets (financial assets, fixed assets, and vehicles), in favor of Bank Leumi Le'Israel Ltd.

REVENUES

2015 sales claimed to be NIS 8,300,000.

2016 sales claimed to be NIS 10,000,000.

2017 sales claimed to be NIS 11,000,000.

2018 projected sales are NIS 11,000,000.

OTHER COMPANIES

A. GUL K.G (ISRAEL) DIAMONDS LTD., owned by Eitan Gul, dealers, importers and exporters of diamonds.

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BANKERS

Bank Leumi Le'Israel Ltd., Netanya Business Branch (No. 717), Netanya.

CHARACTER AND REPUTATION

Nothing unfavorable learned.

This is a veteran business.

The local building materials market is estimated at NIS 200 million per annum.

From the Central Bureau of Statistics (CBS) data, investments (Gross Domestic Capital Formation) in construction for dwelling (residential buildings) in 2017 rose by 1.2% from the previous year (quantity change), which follows increase of 8.1%, 1.5% & 6% in 2016, 2015 & 2014, respectively.

Investments in construction not for dwelling (public institutions, commercial and industrial building) rose in 2017 by 6.3% (after 2.6% rise in 2016, 1.1% in 2015 and 2% in 2014), while investments in other construction works (e.g. roads, infrastructure) saw 16.6% climb in 2017, continuing the upward trend (by 3.8%) in 2016 (after declining by 4.2% in 2015 and -15.5% in 2014).

According to the CBS, the investment in construction for dwelling in the 1st half of 2018 plunged 14% compared to the parallel period in 2017.

The annual volume of houses renovations according to the Renovations Contractors Association is estimated at NIS 15 billion, and the turnover of the ceramics branch is estimated to capture NIS 2.3 billion (which comprises some 80% of the branch's total volume).

From the CBS data, in 2017 the volume of building starts for dwelling (which is a dominant indicator for the trend in the building sector) amounted to 46,320 housing units, compared with 53,950 units in 2016, 53,748 units in 2015, 47,520 in 2014, 47,747 units in 2013, and 43,452 housing units as building starts in 2012), all well below the Government's goal for 60,000 building starts.

The number of building finishing in 2017 reached 47,449 housing units, compared with 46,070 units finished in 2016, 43,908 units in 2015 and 44,634 housing units in 2014.

There were 112,989 dwellings under construction as of end of 2017, compared with 114,310 dwellings in end of 2016 and 106,477 dwellings in end of 2015.

Number of dwellings transactions in 2015 reached a climax with total of 120 thousands transactions (rise in both new and second-hand apartments), but started decreasing in 2016, due to the government's policy of tax raising. That decreasing trend intensified into 2017 and 2018. In 2017 94,000 apartment were sold, representing decrease of 14% from 2016, and 10,150 apartment sold during the 1st half 2018, 22% down from 1st half of 2017.

SUMMARY

Good for trade engagements.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.73
UK Pound	1	INR 94.87
Euro	1	INR 82.52
ILS	1	INR 19.72

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)

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