

MIRA INFORM REPORT

Report No. :	539503
Report Date :	16.11.2018

IDENTIFICATION DETAILS

Name :	DELMON CHEMICAL INDUSTRIES FACTORY (DCI)
Registered Office :	Delmon Tower, 4 th Floor DHL Street Al Khobar 31952
Country :	Saudi Arabia
Financials (as on) :	31.12.2017
Date of Incorporation :	24.09.1998
Com. Reg. No.:	2050034123
Legal Form :	Limited Liability Partnership
Line of Business :	Subject engaged as manufacturers and distributors of industrial chemicals, institutional and specialty chemicals, household chemical products, cleaners, sanitizer, disinfectants, detergents, laundry chemicals and water treatment chemicals and services.
No. of Employees :	95

RATING & COMMENTS

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

MIRA's Rating : A

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 :

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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)
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	: DELMON CHEMICAL INDUSTRIES FACTORY (DCI)
Country of Origin	: Saudi Arabia
Legal Form	: Limited Liability Partnership
Registration Date	: 24th September 1998
Commercial Registration Number	: 2050034123, Dammam
Chamber Membership Number	: 2559
Issued Capital	: SR 15,000,000
Paid up Capital	: SR 15,000,000
Total Workforce	: 95
Activities	: Manufacture of speciality chemicals, adhesives for HVAC as well as chemicals for detergents
Financial Condition	: Fair
Payments	: Nothing detrimental uncovered
Operating Trend	: Steady

COMPANY NAME

DELMON CHEMICAL INDUSTRIES FACTORY (DCI)

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Building : Delmon Tower, 4th Floor
Location : DHL Street

Town : Al Khobar 31952
Country : Saudi Arabia

Telephone : (966-13) 8577777 / 8123383
Facsimile : (966-13) 8571900
Mobile : (966-50) 64245890
Email : dcichem@delmon.com.sa

Premises

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

Branch Offices

<u>Location</u>	<u>Description</u>
<ul style="list-style-type: none">Al Hassa Street 2nd Industrial City PO Box: 6800 Dammam 31452 Tel: (966-13) 8121771 Fax: (966-13) 8121705	Office premises

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
<ul style="list-style-type: none">Mohamed Sulaiman Al Ghonaim	Managing Partner
<ul style="list-style-type: none">Ahmed Sulaiman Al Ghonaim	Partner

DELMON CHEMICAL INDUSTRIES FACTORY (DCI) - 539503

PAGE NO. : 6

- | | |
|-----------------------------------|------------------------|
| • Abdul Wahab Sulaiman Al Ghonaim | Partner |
| • Hafiz Hamawi | Administration Manager |
| • Nabil Abdulazim | Finance Manager |
| • Mohamed Abdo Al Eryan | Financial Controller |
| • Sirindran Buzan | Factory Manager |

LEGAL FORM & OWNERS

Date of Establishment : 03/06/1419 Hijri (corresponding to 24th September 1998)

Legal Form : Limited Liability Partnership

Commercial Reg. No. : 2050034123, Dammam

Chamber Member No. : 2559

Issued Capital : SR 15,000,000

Paid up Capital : SR 15,000,000

Name of Partner (s)

- Mohamed Sulaiman Al Ghonaim
- Ahmed Sulaiman Al Ghonaim
- Abdul Wahab Sulaiman Al Ghonaim

AFFILIATED COMPANIES

- Delmon Company Ltd
Dammam - Al Khobar Express Highway
Khalidiya District
PO Box: 6800
Dammam 31452
Tel: (966-13) 8577777 / 8471777
Fax: (966-13) 8471683
Email: info@delmon.com.sa
- Delmon Salt Factory

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- Delmon Gasket Factory
- National Factory for Processing & Treating Minerals
- Delmon Travel & Tours Company

OPERATIONS

Activities: Engaged as manufacturers and distributors of industrial chemicals, institutional and specialty chemicals, household chemical products, cleaners, sanitizer, disinfectants, detergents, laundry chemicals and water treatment chemicals and services.

Import Countries: Belgium, Germany and Australia

Principal Suppliers:

- Daewoo Chemical United Arab Emirates
- Saudi Binladen Co Saudi Arabia
- SABIC Saudi Arabia

Operating Trend: Steady

Subject has a workforce of 95 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 34,450,000	SR 36,000,000

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

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

BANKERS

- Riyadh Bank

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DELMON CHEMICAL INDUSTRIES FACTORY (DCI) - 539503

PAGE NO. : 8

Prince Mohammed Street
PO Box: 2123
Dammam
Tel: (966-13) 8323440
Fax: (966-13) 8337829

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

GENERAL COMMENTS

Please note that the correct name of the subject is "Delmon Chemical Industries Factory (DCI)" and not "Delmon Chemical Ind Factory".

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.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.16
UK Pound	1	INR 93.95
Euro	1	INR 81.83
SAR	1	INR 19.17

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	TRU

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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)