

## MIRA INFORM REPORT

Report No. :	541348
Report Date :	27.11.2018

### IDENTIFICATION DETAILS

Name :	AL SHARQIYAH INVESTMENT HOLDING CO SAOG
Registered Office :	Alharthy Complex 118, P O Box: 47, Muscat
Country :	Oman
Financials (as on) :	31.12.2017
Date of Incorporation :	30.08.1998
Com. Reg. No.:	4/09043/8
Legal Form :	Omani Joint Stock Company
Line of Business :	Promotion of projects and investment in financial markets
No. of Employees :	9

### 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	Acceptable Risk	Business dealings permissible with moderate risk of default

Maximum Credit Limits :	US\$ 200,000
Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

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**NOTES:**

Any query related to this report can be made on e-mail: 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	: AL SHARQIYAH INVESTMENT HOLDING CO SAOG
Country of Origin	: Oman
Legal Form	: Omani Joint Stock Company
Registration Date	: 30 <sup>th</sup> August 1998
Commercial Registration Number	: 4/09043/8
Authorised Capital	: RO 12,000,000
Issued Capital	: RO 9,000,000
Paid up Capital	: RO 9,000,000
Total Workforce	: 9
Activities	: Promotion of projects and investment in financial markets
Financial Condition	: Fair
Payments	: No Complaints
Operating Trend	: Steady
Recommended Credit Limit	: US\$ 200,000

## **COMPANY NAME**

AL SHARQIYAH INVESTMENT HOLDING CO SAOG

## **ADDRESS**

### **REGISTERED & PHYSICAL ADDRESS**

Location : Alharthy Complex 118

PO Box : 47

Town : Muscat

Country : Sultanate of Oman

Telephone : (968) 24566160

Facsimile : (968) 24566162

Email : [admin@asharqiya.com](mailto:admin@asharqiya.com)

### **Premises**

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

## **KEY PRINCIPALS**

<u>Name</u>	<u>Position</u>
• Dr Hamed Hashim Al Dhahab	Chairman
• Mohammed Ali Al Fannah	Vice Chairman
• Sheikh Saleh Ahmed Mohamed Al Harthy	Director
• Bader Mohammed Rashid Al Aرامي	Director
• Ali Hilal Mohammed Al Rashdi	Director
• Subrata Mitra	Director
• Bharath Rajnarayan	Chief Executive Officer
• Pandidurai Marimuthu	Investment Manager

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## **LEGAL FORM & OWNERS**

**Date of Establishment** : 30<sup>th</sup> August 1998

**Legal Form** : Omani Joint Stock Company

**Commercial Reg. No.** : 4/09043/8

**Authorised Capital** : RO 12,000,000

**Issued Capital** : RO 9,000,000

**Paid up Capital** : RO 9,000,000

<b>Name of Shareholder (s)</b>	<b>Percentage</b>
• Sheikh Salem Bin Said Bin Hamad Al Fannah Al Araimi	22.63%
• Al Siraj Holdings	11.29
• Local businessmen and private investors	66.08%

## **AFFILIATED COMPANIES**

- Qalhat Real Estate Investments & Services LLC  
Muscat

## **OPERATIONS**

**Activities:** The principal objectives of the company are to identify and promote suitable projects and for investment in financial markets, both local and overseas. The activities of the company can be broadly summarized as follows: promoting new projects in Oman and overseas, acquiring existing businesses, investing in local and overseas financial markets, contributing to the development of Oman in line with the policies and priorities pronounced by the State.

**Operating Trend:** Steady

Subject has a workforce of 9 employees.

## **FINANCIAL DATA**

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Financial highlights provided by local sources are given below:

Currency: Riyal Omani (RO)

**Balance Sheet**

	<b><u>31/12/16</u></b>	<b><u>31/12/17</u></b>
<b>Assets</b>		
<b>Non-current assets</b>		
Equipment	905	1,657
Fair value through other comprehensive income financial assets	12,089,811	9,279,096
Investment in a subsidiary	250,000	250,000
Due from subsidiary	602,442	-
Deferred tax assets	-	36,484
	12,943,158	9,567,237
<b>Current assets</b>		
Prepayments and other receivables	3,819	9,392
Cash and cash equivalents	592,276	580,795
Due from subsidiary	612,120	602,442
	1,208,215	1,192,629
<b>Total assets</b>	<b>14,151,373</b>	<b>10,759,866</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Share capital	9,000,000	9,000,000
Legal reserve	1,354,663	1,368,179
Fair value reserve	2,512,042	(194,405)
Retained earnings	403,756	179,103
Net equity	13,270,461	10,352,877
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Bank borrowings	450,000	-
End of service benefits	68,724	80,338
	518,724	80,338
<b>Current liabilities</b>		
Bank borrowings	250,000	200,000
Trade and other payables	62,683	64,690
Income tax payable	49,505	61,961
	362,188	326,651
<b>Total liabilities</b>	<b>880,912</b>	<b>406,989</b>
<b>Total equity and liabilities</b>	<b>14,151,373</b>	<b>10,759,866</b>

**Statement of Income**

Net profit on sale of available for sale financial assets	387,201	-
Dividend income	704,554	488,263
Other income	196,047	167,699
	1,287,802	655,962
<b>Staff costs</b>	<b>(283,898)</b>	<b>(280,110)</b>

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General and administrative expenses	(131,940)	(124,608)
Impairment of available for sale financial assets	(123,651)	-
Finance expense	(67,993)	(36,536)
Depreciation	(3,166)	(926)
Total expenses	(610,648)	(442,180)
Profit before taxation	677,154	213,782
Taxation	-	(78,622)
Profit for the year	677,154	135,160

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

## **BANKERS**

- Commercial Bank of Oman SAOG  
Muttrah Business District  
PO Box: 1696, Ruwi 112  
Muscat  
Tel: (968) 24793225 / 24793226 / 24793228  
Fax: (968) 24793229

## **PAYMENT HISTORY**

No complaints regarding subject's payments have been reported.

## **CREDIT RATING**

Recommended credit limit: US\$ 200,000

## **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.

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 70.71
UK Pound	1	INR 90.65
Euro	1	INR 80.27
OMR	1	INR 184.22

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

**INFORMATION DETAILS**

Analysis Done by :	DIV
Report Prepared by :	NIT

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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)