

MIRA INFORM REPORT

Report No. :	534433
Report Date :	16.10.2018

IDENTIFICATION DETAILS

Name :	ALTARAZ INRE GAS LTD
Formerly Known As :	IN.RE.GAS (CENTRAL) 1999 LTD
Registered Office :	5 Hamelacha Street New Industrial Zone OR YEHUDA 6037205
Country :	Israel
Financials (as on) :	2015 (Summarized)
Date of Incorporation :	06.09.1999
Com. Reg. No.:	51-282711-4
Legal Form :	Private Limited Company
Line of Business :	Importers and marketers of gas, equipment and accessories for air-conditioning and cooling systems (compressors, heat changers, condensers, working tools, fans.
No. of Employees :	30 (2016)

RATING & COMMENTS

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

MIRA's Rating :

B

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow but Correct
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)
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

ALTARAZ - INRE - GAS LTD.

Telephone 972 3 533 55 25
Mobile 972 52 534 55 99 (Tzahi Altaraz)
Fax 972 3 533 55 01
Email: info@altaraz.com
5 Hamelacha Street
New Industrial Zone
OR YEHUDA 6037205 ISRAEL

HISTORY & LEGAL FORMATION

A private limited company, incorporated as per file No. 51-282711-4 on the 06.09.1999 under the name IN.RE.GAS (CENTRAL) 1999 LTD., which changed to the present name on the 21.04.2004.

Note: subject writes its Latin name usually as "Altaraz", though it can be written also as "Altaratz" (this is because there is a Hebrew letter for "tz" which does not exist in English).

Subject assumed part of the activities of ALTARAZ Group (also of parent company I.C.A.R. - ALTARAZ LTD.), originally founded in 1960 by Altaraz family and incorporated in 1973 (ALTARAZ LTD., now voluntary liquidated).

SHARE CAPITAL

Authorized share capital NIS 36,200.00, divided into - 36,200 ordinary shares of NIS 1.00 each, of which 201 shares amounting to NIS 201.00 were issued.

SHAREHOLDERS

1. I.C.A.R. - ALTARAZ LTD., 49.75%, owned by Altaraz family, shares are equally split among Itzhak (Tzahi) Altaraz, Ms. Mimi Altaraz Yaacobi, Roy Altaraz and Uri Altaraz,
2. Abraham Altaraz, 28.36%,
3. Remaining of shares are equally split among a/m Altaraz family members.

SOLE DIRECTOR

Avraham Altaraz.

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GENERAL MANAGER

Itzhak (Tzahi) Altaraz.

BUSINESS

Importers and marketers of gas, equipment and accessories for air-conditioning and cooling systems (compressors, heat changers, condensers, working tools, fans, etc.).

Among clients: Ministry of Defense, STRAUSS GROUP, SHUFERSAL, ISRAEL AEROSPACE INDUSTRIES, KERUR BENNY, ELECTRA, TADIRAN Group, MEGA RETAIL, ISRAEL AEROSPACE INDUSTRIES, etc.

Among foreign suppliers (possibly subject is sole local representatives, however we could not confirm that): CUBIGEL (Spain), EURO MOTORS ITALIA, M.T.H, MODULOINOX, LU-VE (all of Italy).

Sole local representatives/ distributors of (among others):

BITZER, of Germany

DANFOSS MANEUROP of Denmark

ELECTROLUX, SOLER & PLAU, GARCIA CAMARA, CUBIGEL, all of Spain

REFCO, of Switzerland

ALFA LAVAL, of Sweden

ICI, of U.K.

McCUE, of U.S.A.

K-FLEX, of Italy.

Operating from premises (offices, showroom and warehouses), on an area of 2,000 sq. meters, in 5 Hamelacha Street, New Industrial Zone, Or Yehuda, and from a warehouse, on an area of 500 sq. meters, in Kiryat Ata. Both premises are owned by parent company I.C.A.R. – ALTARAZ.

Website: www.altaraz.com

Had 30 employees in 2016 (had 20 employees in 2012), current number of employees unavailable.

MEANS

Inventory was valued at NIS 10,000,000 in mid-2016.

Later inventory value and other financial details not forthcoming.

There are 12 charges for unlimited amounts, as well 1 charge for the sum of NIS 187,958 registered on the company's assets (financial assets and vehicles), in favor of Bank Hapoalim Ltd. and leasing companies.

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REVENUES

2014 sales claimed to be NIS 60,000,000.
2015 sales claimed to be NIS 60,000,000.
Later sales figures not forthcoming.

OTHER COMPANIES

I. C. A. R. - ALTARAZ LTD., parent company, holdings and real estate company (private limited company, Registration No. 51-222654-9).
RED GEORGIA IMPORT EXPORT LTD., non-active.

BANKERS

Bank Hapoalim Ltd., Holon Business Branch (No. 586), Holon.

CHARACTER AND REPUTATION

Nothing unfavorable learned on subject.

We spoke to Mr. Tzahi Altaraz, who informed us that he is currently abroad and due back in a week's time. We shall call him upon his return and upon receiving further data we shall update you accordingly.

ALTARAZ Group is long established family business, dealing in distribution, import and marketing of gas for air-conditioning and cooling systems, allied goods and accessories.

In 2005, a compromise deal was reached between ALTARAZ Group of companies managed by Abraham Altaraz (*not including subject*) and the Customs Authorities, following customs related disputes concerning previous years (all companies dealt in import of equipment in the gas field). Against one company in the Group, a foreclosure order was issued on the Group's real estate asset in estimated value of NIS 1 million, following a deficit on this sum to the Customs Authorities.

In 2008 we learnt on a lawsuit a foreign company A.D.I. MARKETING INC. filed against subject, claiming the defendants should compensate them for damages caused by gas subject supply them with, with the plaintiffs claim was defected.

According to our sources in the branch, subject is known as a relatively big and strong company in its area, however its managers were considered as unreliable persons.

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According to the Central Bureau of Statistics (CBS) data on import of investment goods, import of machinery, equipment, implements & other accessories in 2017 reached US\$ 8,411 million, compared to US\$ 7,491 million in 2016, US\$ 5,658 million in 2015 and US\$ 5,891 million in 2014. In the first 6 months of 2018, import of such summed up to US\$ 4,625 million, representing 15% increase from the parallel period in 2017.

Breakdown of the above import includes import of motors, turbines, pumps and compressors in total of US\$ 679 million in 2017 (US\$ 652 million in 2016, US\$ 506 million in 2015, US\$ 751 million in 2014), and in the segment of import of tools, implements & accessories in 2017 import totaled US\$ 1,571 million (US\$ 1,331 million in 2016, US\$ 1,275.5 million in 2015, US\$ 1,280 million in 2014).

Import of motors, turbines, pumps and compressors in the first 6 months of 2018 fell by 25% from the parallel period in 2017 (to US\$ 270 million), and in the segment of import of tools, implements & accessories import marked a 16.5% rise (to US\$ 832.3 million) from 2017.

SUMMARY

Notwithstanding the lack of updated data from subject's officials, considered good for trade engagements.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.97
UK Pound	1	INR 97.08
Euro	1	INR 85.49
ILS	1	INR 20.25

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	POJ

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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)