

MIRA INFORM REPORT

Report No. :	535151
Report Date :	20.10.2018

IDENTIFICATION DETAILS

Name :	NESMA RECYCLING CO LTD
Registered Office :	Al Nuzha District, P O Box: 7195 & 54744, Jeddah 21524, Jeddah 21462
Country :	Saudi Arabia
Date of Incorporation :	20.01.2003
Com. Reg. No.:	4030141465, Jeddah
Legal Form :	Limited Liability Partnership
Line of Business :	Subject is engaged in the collection and processing of discarded paper, metals and plastics.
No. of Employees :	300

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	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES:

Any query related to this report can be made on e-mail: 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)
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	: NESMA RECYCLING CO LTD
Country of Origin	: Saudi Arabia
Legal Form	: Limited Liability Partnership
Registration Date	: 20 th January 2003
Commercial Registration Number	: 4030141465, Jeddah
Chamber Membership Number	: 97742
VAT Number	: 300507825100003
Issued Capital	: SR 5,000,000
Paid up Capital	: SR 5,000,000
Total Workforce	: 300
Activities	: Recycling of scrap metal and other waste materials
Financial Condition	: Undetermined
Payments	: No Complaints
Person Interviewed	: Majid Aseeri, Administration Manager

COMPANY NAME

NESMA RECYCLING CO LTD

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Location : Al Nuzha District
PO Box : 7195 & 54744, Jeddah 21524
Town : Jeddah 21462
Country : Saudi Arabia
Telephone : (966-12) 6581188 / 6693322 / 6059588 / 6589053 / 6589058 / 6722460
Facsimile : (966-12) 6594848 / 6587306
Mobile : (966-50) 4601904 / 4401061 / (966-55) 0070033 / (966-58) 3150000
Email : namawp@nesma.com / f.ansari@nesma.com

Premises

Subject operates from a large suite of offices and a warehouse that are rented and located in the Suburban Business Area of Jeddah.

Branch Offices

<u>Location</u>	<u>Description</u>
<ul style="list-style-type: none">Al Hamra District Jeddah Tel: (966-12) 6693322 Fax: (966-12) 6693322	Office premises
<ul style="list-style-type: none">Jeddah Tel: (966-12) 6378462 / 6081430 / 6369059	Factory premises

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
<ul style="list-style-type: none">Sheikh Saleh Ali Abdulrahman Al Turki	Managing Partner

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• Layaqat Ali	Chief Executive Officer
• Majid Aseeri	Administration Manager
• Khalid Takieullah	Finance Manager
• Gaffar Ahmed	Accountant
• Bishrat Ahmed Layaqat Ali	Assistant Administration Manager

LEGAL FORM & OWNERS

Date of Establishment : 17/11/1423 Hijri (corresponding to 20th January 2003)

Legal Form : Limited Liability Partnership

Commercial Reg. No. : 4030141465, Jeddah

Chamber Member No. : 97742

VAT No. : 300507825100003

Issued Capital : SR 5,000,000

Paid up Capital : SR 5,000,000

Name of Partner (s)	Percentage
• Nesma Holding Co PO Box: 7195 Jeddah 21462 Tel: (966-12) 6693322 Fax: (966-12) 6696499	90%
• Sheikh Saleh Ali Abdulrahman Al Turki	10%

AFFILIATED COMPANIES

Subject belongs to the Nesma group of companies that consists of the following concerns:

- Nesma Shipping
- Nesma Aviation

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- Nesma Orbit
- Unitrade
- Al Faris Al Arabi Trading Company
- Nesma Electronics
- Shaheen Arabia Development Co Ltd
- IBS
- Kaefer
- Nesma & Partners
- Nesma Eser Onur
- Nesma Havatek
- Al Faris Food Industries Ltd
- Nesma Batterjee
- Nesma Embroidery
- Nesma Ommat
- Koncar
- Nesma Electric
- Al Bishara
- Nesma Real Estate
- Jollibee
- Nesma Chocolate
- Nesma Markets
- Financial Investments Group
- NDigitec

- Nesma Security
- Nesma Trading
- Pannesma Co Ltd
- Jadarah
- Mihnati
- Nesma Advanced Technology
- Nesma Mahkaa
- Nesma Telecom
- Norconsult
- TCIL
- Bargail
- Istanbul Lines
- Namma Container Lines
- Namma Cargo
- Namma Shipping Lines
- NPS
- Negmar
- Nesma Airlines
- Mawaddah
- Namma Tours
- Nesma Travel

OPERATIONS

Activities: Engaged in the collection and processing of discarded paper, metals and plastics.

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Nesma Recycling provides a comprehensive range of scrap management and technically advanced scrap handling services for all types of industry accounts throughout metropolitan Jeddah and the Kingdom of Saudi Arabia. Extensive scrap processing and preparation is completed at our facility situated near the industrial area of Jeddah.

Nesma Metals Scrap Division buys non-ferrous and ferrous material, precious metal bearing, used beverage cans (UBC), high temp alloys, and electronic and composite metal scrap from industrial and manufacturing companies, recycling centers, and independent scrap dealers. Nesma Recycling provides a comprehensive range of scrap management and technically advanced scrap handling services for all types of industry accounts throughout metropolitan Jeddah and the Kingdom of Saudi Arabia. Extensive scrap processing and preparation is completed at our facility situated near the industrial area of Jeddah.

Nesma Waste Paper Division provides a broad range of paper scrap that is cleanly bailed. This division buys and sells OCC material, double sorted corrugation, box board products, millboard, over issued news print, tissue paper, and mixed waste pulp, in addition to other paper products. Paper is processed at a unit situated near the Petromin area of the city. At this unit Nesma employs one of the best bailing machines in the Kingdom of Saudi Arabia.

Nesma Plastic Division is a recycling factory situated in the Industrial Area, Phase 5, in Jeddah. It is here that plastic scrap, as well as rejected new material, is crushed after sorting and cleaning. After melting at high temperatures and the formation of the material into small granules, it is then sold in the local market according to the requirements of our customers. This division primarily concentrates on light density polyethylene, high-density polyethylene, and polypropylene plastics.

Nesma Recycling is a member of the Bureau of International Recycling.

Local Suppliers:

- Al Quryan Steel
- Saudi Cable
- Saudi Electricity Co

Subject has a workforce of approximately 300 employees.

FINANCIAL DATA

Companies registered in Saudi Arabia are not legally required to make their accounts public and no financial information was released by the company or submitted by outside sources.

BANKERS

- Arab National Bank (ANB)
Madinah Road

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PO Box: 9463
Jeddah 21413
Tel: (966-12) 6600272
Fax: (966-12) 6650202

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

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.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.44
UK Pound	1	INR 95.65
Euro	1	INR 84.17
SAR	1	INR 19.59

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

INFORMATION DETAILS

Analysis Done by :	VIVR
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)