

MIRA INFORM REPORT

Report No. :	536809
Report Date :	26.10.2018

IDENTIFICATION DETAILS

Name :	AL GHURAIR RESOURCES OILS & PROTEINS LLC
Formerly Known As :	DUBAI OIL MILLS CO LLC
Registered Office :	Al Qubaiba Street, Al Shindagha, P O Box: 5326 & 54320, Dubai
Country :	United Arab Emirates
Financials (as on) :	31.12.2017
Date of Incorporation :	20.03.2006
Com. Reg. No.:	1011968, Dubai
Legal Form :	Limited Liability Company - LLC
Line of Business :	Subject operators of an oilseeds processing factory
No. of Employees :	275

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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

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)
United Arab Emirates	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

UNITED ARAB EMIRATES - ECONOMIC OVERVIEW

The UAE has an open economy with a high per capita income and a sizable annual trade surplus. Successful efforts at economic diversification have reduced the portion of GDP from the oil and gas sector to 30%.

Since the discovery of oil in the UAE nearly 60 years ago, the country has undergone a profound transformation from an impoverished region of small desert principalities to a modern state with a high standard of living. The government has increased spending on job creation and infrastructure expansion and is opening up utilities to greater private sector involvement. The country's free trade zones - offering 100% foreign ownership and zero taxes - are helping to attract foreign investors.

The global financial crisis of 2008-09, tight international credit, and deflated asset prices constricted the economy in 2009. UAE authorities tried to blunt the crisis by increasing spending and boosting liquidity in the banking sector. The crisis hit Dubai hardest, as it was heavily exposed to depressed real estate prices. Dubai lacked sufficient cash to meet its debt obligations, prompting global concern about its solvency and ultimately a \$20 billion bailout from the UAE Central Bank and Abu Dhabi Government that was refinanced in March 2014.

The UAE's dependence on oil is a significant long-term challenge, although the UAE is one of the most diversified countries in the Gulf Cooperation Council. Low oil prices have prompted the UAE to cut expenditures, including on some social programs, but the UAE has sufficient assets in its sovereign investment funds to cover its deficits. The government reduced fuel subsidies in August 2015, and introduced excise taxes (50% on sweetened carbonated beverages and 100% on energy drinks and tobacco) in October 2017. A five-percent value-added tax was introduced in January 2018. The UAE's strategic plan for the next few years focuses on economic diversification, promoting the UAE as a global trade and tourism hub, developing industry, and creating more job opportunities for nationals through improved education and increased private sector employment.

Source : CIA

SUMMARY

Company Name	: AL GHURAIR RESOURCES OILS & PROTEINS LLC
Previously Known As	: DUBAI OIL MILLS CO LLC
Country of Origin	: Dubai, United Arab Emirates
Legal Form	: Limited Liability Company - LLC
Registration Date	: 20 th March 2006
Commercial Registration Number	: 1011968, Dubai
Trade Licence Number	: 558989
Chamber Membership Number	: 98543
Issued Capital	: UAE Dh 100,000,000
Paid up Capital	: UAE Dh 100,000,000
Total Workforce	: 275
Activities	: Operators of an oilseeds processing factory
Financial Condition	: Good
Payments	: Regular
Operating Trend	: Steady

COMPANY NAME

AL GHURAIR RESOURCES OILS & PROTEINS LLC

PREVIOUSLY KNOWN AS

DUBAI OIL MILLS CO LLC

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Street : Al Qubaiba Street
Area : Al Shindagha

PO Box : 5326 & 54320

Town : Dubai
Country : United Arab Emirates

Telephone : (971-4) 3939633 / 3120153 / 3120261 / 3120202

Facsimile : (971-4) 3939655

Mobile : (971-50) 2561494 / 9890666 / 2821300

Email : resources@al-ghurair.com / ahsan.rathore@al-ghurair.com / sijali.mujeeb@al-ghurair.com

Premises

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

Branch Office (s)

<u>Location</u>	<u>Description</u>
• Jebel Ali Free Zone Dubai	Rented factory premises

KEY PRINCIPALS

<u>Name</u>	<u>Nationality</u>	<u>Position</u>
• Amer Abdullah Ahmed Al Ghurair	Emirati	Managing Director

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- | | | |
|-------------------------------------|---------|----------------------|
| • Essa Abdullah Ahmed Al Ghurair | Emirati | Director |
| • Ibrahim Abdullah Ahmad Al Ghurair | Emirati | Director |
| • Donald Campbell | - | General Manager |
| • Ahsan Rathore | - | Finance Manager |
| • Sijili Mujeeb | - | Financial Controller |

LEGAL FORM & OWNERS

Date of Establishment : 20th March 2006

History : Subject was originally established in 2006 under the name of "Dubai Oil Mills Co LLC". However, on 2nd May 2011 the company was re-registered under the current style of "Al Ghurair Resources Oils & Proteins LLC".

Legal Form : Limited Liability Company - LLC

Commercial Reg. No. : 1011968, Dubai

Trade Licence No. : 558989 (Expires 29/06/2019)

Chamber Member No. : 98543

Issued Capital : UAE Dh 100,000,000

Paid up Capital : UAE Dh 100,000,000

Name of Shareholder (s)	Percentage
• Al Ghurair Investment LLC Dubai United Arab Emirates	65%
• Essa Abdullah Ahmed Al Ghurair	15%
• Amer Abdullah Ahmed Al Ghurair	10%
• Ibrahim Abdullah Ahmad Al Ghurair	10%

Notes to the legal Form

The LLC requires a minimum of two and a maximum of 50 members. The minimum share capital required is UAE Dh 300,000. Shareholders are only liable up to the extent of the value of their shares. This type of company may engage in any form of legitimate business, with the exception of insurance, banking and investment of funds. The company is not obliged to publish its accounts. The

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participation of non-Emirati in a trade or business in the United Arab Emirates is governed by the Foreign Business Investment Law, which sets capital requirements and requires 51 percent Emirati participation in capital and profits. It is common for the 51 percent to be held by the UAE national on paper only with the foreign partner(s) providing all the capital requirements for the company and paying an annual fee to the local partner.

AFFILIATED COMPANIES

Subject is a member of the Al Ghurair Group, which has a turnover over in excess of UAE Dh 3 billion (US\$ 850 million). The group has a diversified range of interests spanning real estate, finance and industry, with specialist operations in banking, trading and shipping.

Some of the very successful industries that it operates today in the United Arab Emirates, include the National Flour Mills Co Ltd, National Cement Company, Gulf Extrusions at Jebel Ali, Masafi Mineral Water Co LLC, National Mosaic Tiles and Al Ghurair Publishing and Printing. In the banking sector, the Ghurairs are owners of the UAE's largest private bank, the Dubai-based Mashreq Bank, which is one of the Group's most successful ventures and operates from branches both within and outside the UAE.

The Al Ghurair Group is active in London, New York, Cairo, Khartoum, Istanbul, Bombay, Doha, Colombo, Karachi and Lahore.

In real estate the Al Ghurair Centre has become a prominent landmark in Dubai. It was built at a cost of more than US \$ 150 million and is now home to most of the city's top retailers.

The Al Ghurair Group comprises the following concerns:

- Al Ghurair Holdings (Private) Ltd
- Gulf Extrusions Ltd
- Arabian Aluminium Company
- Al Ghurair Publishing & Printing House
- Union Mosaic & Marble Company
- Al Ghurair Centre
- Arabian Mix
- National Cement Company Ltd
- Emirates Trading Agency LLC (ETA)
- Gulf Utensils
- Al Ghurair Resources LLC
- House of Perfume
- Computer Intelligence and Communications Ltd
- Gulf Confectionery & Biscuit Company
- Oman Insurance Co Limited
- Mashreq Bank
- Al Ghurair Enterprises
- Al Ghurair Exchange
- Arabian Packaging Company LLC (APC)
- National Concrete Company Ltd
- Masafi Mineral Water Co LLC

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- Associated Construction & Investment Co LLC (ASCON)
- Al Ghurair Fieness Perry & Partners
- Pak Arab Traders
- Al Ghurair Real Estate
- Al Khaleej Sugar Co WLL
- Central Electric Equipment Co LLC (CEEC)
- National Oman Marble Company
- Rawda Quarries Ltd
- Ghurair Tarmac
- Oman Finance Company
- Ghurair Crown (Engineering) Ltd
- Al Ghurair Industries (Pvt) Ltd

OPERATIONS

Activities: Subject is one of the largest and most modern oilseeds processing unit in the Middle East, equipped with a capacity to crush 4,500 metric tonnes of soybeans or 3,200 metric tonnes of canola seeds daily. The plant was established with an investment of Dh250 million. Subject supplies vegetable oils to the biodiesel industry in Europe as well cater to the demands for human consumption in the Middle East and South East Asia.

Subject's refinery is strategically located in the Jebel Ali Port and has an annual refining capacity of 96,000 MT. Subject refines and packs Canola, Corn, Sunflower oils.

Import Countries: United States of America, Australia, Canada, Argentina, Brazil and Paraguay

International Suppliers:

- Canadian Wheat Board Canada
- Richardson International Canada
- Carghill United States of America
- Carghill Switzerland
- Bungee Switzerland

Clients:

- Al Marai Co Saudi Arabia

Operating Trend: Steady

Subject has a workforce of approximately 275 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: United Arab Emirates Dirham (UAE Dh)

Year	Sales
Year Ending 31/12/14:	UAE Dh 2,952,000,000
Year Ending 31/12/15:	UAE Dh 1,200,000,000
Year Ending 31/12/16:	UAE Dh 2,000,000,000
Year Ending 31/12/17:	UAE Dh 2,600,000,000

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

Note:

According to local Commercial Law, only publicly listed companies are required to publish their financial information. Financial information on other legal forms can only be obtained from the companies / businesses directly

BANKERS

- Mashreq Bank Plc
Deira Branch
PO Box: 1250
Dubai
Tel: (971-4) 2229131 / 2221134

PAYMENT HISTORY

Regular

GENERAL COMMENTS

During the course of this investigation the following sources were consulted:

- Internal database
- Journals, directories, media & web searches
- Local Registry office

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Established in 2006, subject is one of the largest and most modern oilseeds processing unit in the Middle East.

The company is part of the very well known and financially strong Al Ghurair Group that has a diversified range of interests spanning real estate, finance and industry, with specialist operations in banking, trading and shipping.

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.

COUNTRY OUTLOOK

The economy continues to experience a slowdown in economic growth as a result of low oil prices. Real GDP achieved sustained growth of over 6 % per year in recent decades, with oil surpluses invested into the non-oil economy. In particular, the country has managed to develop the Dubai financial and real-estate centres, international airline hubs in Dubai and Abu Dhabi, and sports-tourism in a number of Emirates as well as light manufacturing and transport and retail trade services. However, since June 2014, it has been affected by the plummeting of global oil prices which has resulted in a drop-in hydrocarbon exports and revenues. While it managed to sustain growth rates of 4.6% in 2014, growth in 2015 is estimated to have declined to 3.4%.

Fiscal and external balances are deteriorating and macro-financial risks are increasing. A drop-in hydrocarbon revenues coupled with expansionary fiscal policy has pushed the fiscal balance down from a surplus of 10.4% of GDP in 2013 to a 5% surplus in 2014 and to an estimated deficit of -4.3% of GDP by end-2015. The fiscal deficit of 2015 is the first since the financial crisis of 2009 when the real estate bubble in Dubai burst. The current account surplus fell from 18.4% of GDP in 2013 to 13.7% of GDP in 2014 and to a mere 0.2% of GDP by end-2015.

Monetary policy is tightening, as is liquidity in the banking system. The Central Bank raised the interest rate on its certificates of deposit by 25 basis points in December 2015 in response to the United States' Federal Reserve rate increase. It is expected to continue mirroring the Fed's interest rate hikes. At the same time, reduced government deposits are resulting in reduced liquidity in the banking sector.

The growth outlook is one of slow recovery, averaging 2.5 % between 2016 and 2018. Oil production will increase as a result of investment in oilfield development. Non-hydrocarbon growth will rise as megaproject implementation ramps up ahead of Dubai's hosting of Expo 2020, and as the lifting of sanctions on Iran translates into increased commerce, trade, and investment between Iran and the UAE (particularly Dubai). These developments will jointly help to narrow the current account deficit from an estimated deficit of -1.7% of GDP in 2016 to a forecasted deficit of -0.2% of GDP in 2018.

Fiscal policy will continue to tighten, but ensuring fiscal sustainability will require additional policy measures to cut spending, develop new revenue streams, and manage fiscal risks. The UAE government has reported that it will be implementing a value-added tax (VAT) at the latest by 2018, along with other GCC countries. It is also considering the introduction of a corporate tax. This will help improve the fiscal balance. Other consolidation

measures are needed, including a reduction in electricity and water subsidies and a gradual slowdown in the implementation of GRE's (Government Related Entities) megaprojects.

Key Economic Indicators	2014	2015	2016*	2017*
Real GDP Growth (%)	4.6	3.4	2.0	2.4
Inflation Rate (%)	2.3	4.1	3.1	3.4
Fiscal Balance (% of GDP)	5.0	-4.3	-5.2	-2.1
Current Account Balance (% of GDP)	13.7	0.2	-1.7	-0.4

* forecast

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.27
UK Pound	1	INR 94.62
Euro	1	INR 83.65
UAE Dh	1	INR 19.97

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)