

MIRA INFORM REPORT

Report No. :	528154
Report Date :	06.09.2018

IDENTIFICATION DETAILS

Name :	KALPATARU IBN OMAIRAH COMPANY LIMITED
Registered Office :	6733 Ash Shuhada Exit 9, Ali Al Maruzi Street, PO Box- 8230, Riyadh 13241
Country :	Saudi Arabia
Financials (as on) :	31.03.2017
Date of Incorporation :	01.06. 2015
Com. Reg. No.:	1010434363
Legal Form :	Limited Liability Company
Line of Business :	Subject engaged in the provision of electrical works contracting and power generation station contracting services.
No. of Employees :	150

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 :	Satisfactory
Payment Behaviour :	No Complaints
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.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
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	: KALPATARU IBN OMAIRAH COMPANY LIMITED
Country of Origin	: Saudi Arabia
Legal Form	: Limited Liability Company
Registration Date	: 1st June 2015
Commercial Registration Number	: 1010434363, Riyadh
Membership Number	: 306967
Issued Capital	: SR 500,000
Paid up Capital	: SR 500,000
Total Workforce	: 150
Activities	: Providers of electrical works contracting and power generation station contracting services
Financial Condition	: Fair
Payments	: No Complaints

COMPANY NAME

KALPATARU IBN OMAIRAH COMPANY LIMITED

ADDRESS

Registered & Physical Address

Location : 6733 Ash Shuhada Exit 9, Ali Al Maruzi Street

PO Box : 8230

Town : Riyadh 13241

Country : Saudi Arabia

Telephone : (966-11) 2392497

Facsimile : (966-11) 2390648

Premises

Subject operates from a medium sized suite of offices that are rented and located in the Suburban Area of Riyadh.

KEY PRINCIPALS

Name	Position
Ibrahim Mohamed	Human Resources Manager

LEGAL FORM & OWNERS

Date of Establishment : 13/08/1436 (corresponding to 1st June 2015)

Legal Form : Limited Liability Company

Commercial Reg. No. : 1010434363, Riyadh

Membership No. : 306967

Issued Capital : SR 500,000

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Paid up Capital : SR 500,000

Name of Shareholder (s)	Percentage
Kalpataru Power Transmission Limited Saudi Arabia	65%
Ibn Omairah Company Limited Saudi Arabia	35%

AFFILIATED COMPANIES

Kalpataru Power Transmission Limited
India

OPERATIONS

Activities: Engaged in the provision of electrical works contracting and power generation station contracting services.

Subject has a workforce of approximately 150 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Saudi Riyals (SR)

Balance Sheet	31/03/17	31/03/16
Assets		
Current assets		
Cash and cash equivalent	3,623,805	1,141,665
Inventory	619,813	-
Trade and other receivables	30,268,325	2,316,467
Due from related party	-	5,115,102
Total current assets	34,511,943	8,573,234
Non-current assets		
Fixed assets	544,956	18,038
Total assets	35,056,899	8,591,268

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Liabilities and Equity

Liabilities

Current liabilities

Trade and other payables	6,498,166	8,350,614
Provision for Zakat	89,602	-
Provision for tax	1,333,255	-
Due to related parties	18,339,241	734,662
Total current liabilities	26,260,264	9,085,276
Total liabilities	26,260,264	9,085,276

Equity

Capital	500,000	500,000
Statutory reserve	150,000	-
Retained earnings	8,146,635	(994,008)
Total equity	8,796,635	(494,008)
Total liabilities and equity	35,056,899	8,591,268

Statement of Income

Revenue	73,538,352	3,174,461
Cost of revenue	(59,330,801)	(2,700,895)
Gross profit	14,207,551	473,566
Operating expenses		
General and administrative expenses	(1,572,151)	(1,467,574)
Operating profit	12,635,400	(994,008)
Exchange loss	(36,775)	-
Finance charge	(1,885,125)	-
Net profit/(loss) for the year	10,713,500	(994,008)

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

BANKERS

National Commercial Bank

Malaz Branch

PO Box: 42536

Riyadh 11551

Tel: (966-11) 4776450

Fax: (966-11) 4769502

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

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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 Rupee
US Dollar	1	INR 71.75
UK Pound	1	INR 92.23
Euro	1	INR 83.13
SAR	1	INR 19.18

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	KET

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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)