MIRA INFORM PRIVATE LIMITED
605, Palmspring, Near D'Mart, Link Road,
Malad (West), Mumbai - 400 064. INDIA
Tel : 91-22-40448000 (44 lines)
Fax : 91-22-40448045 / 40448046
E-mail : mira@mirainform.com
info@mirainform.com
Website : http://www.mirainform.com
http://www.miraglobalcheck.com
http://www.miraglobalcollections.com

MIRA INFORM REPORT

Report No. :	528837
Report Date :	07.09.2018

IDENTIFICATION DETAILS

Name :	AL SAKR FOR FOOD INDUSTRIES CO SAE
Registered Office :	3rd Industrial Zone, Plot 6, Block 8, New Borg El Arab, Alexandria
Country :	Egypt
Financials (as on) :	31.12.2017
Year of Establishment :	1994
Com. Reg. No.:	1868, Alexandria
Legal Form :	Egyptian Joint Stock Company
Line of Business :	Subject is engaged in the production, packaging and export of foodstuffs, including UHT milk, fruit juice, vegetables, cheese and pure butter ghee.
No. of Employees :	**500**

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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	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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SUMMARY

Company Name	: AL SAKR FOR FOOD INDUSTRIES CO SAE
Country of Origin	: Egypt
Legal Form	: Egyptian Joint Stock Company
Registration Date	: 1994
Commercial Registration Number	: 1868, Alexandria
Tax Card Number	: 705-996-093
Issued Capital	: £E 10,000,000
Paid up Capital	: £E 10,000,000
Total Workforce	: 500
Activities	: Production, packaging and export of foodstuffs
Financial Condition	: Fair
Payments	: No Complaints
Operating Trend	: Steady

COMPANY NAME

AL SAKR FOR FOOD INDUSTRIES CO SAE

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Location : 3rd Industrial Zone, Plot 6, Block 8, New Borg El Arab

Town : Alexandria
Country : Egypt

Telephone : (20-3) 4597351 / 4592858 / 4594758
Facsimile : (20-3) 4597358 / 5432532 / 5432852
Mobile : (20-10) 1786206
Email : sakralex@yahoo.com / ahmed.sakr1@sakrgroup.net

Premises

Subject operates from a large suite of offices and a factory that are owned and located in the Industrial Area of Alexandria.

Branch Office (s)

Location	Description
• 2 Souk El Kanto Street Alexandria Tel: (20-3) 4810095	Rented office premises
• 23 Ebn Maged Street Sidi Gaber Alexandria Tel: (20-3) 5462890 / 5432852 / 5234632 / 5234633 / 5432802 Fax: (20-3) 5462890 / 5234632 / 5234633 / 5432802	Rented office premises
• 11 Gaber Street El Haram Cairo Tel: (20-2) 25830429	Rented office premises
• Matbaa Station Haram Street	Rented office premises

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Pyramids Giza	
• 5th District Nasr City Cairo	Warehouse premises
• Tout Anchamen Street Tanta Gharbeya Tel: (20-40) 9112039	Rented office premises
• Kom Asho Road Kafr El Dawar Tel: (20-45) 2213011	Rented office premises
• Taqseem Altaqwa Aldhar Hurghada Tel: (20-10) 1644679	Rented office premises

KEY PRINCIPALS

Name	Position
• Ahmed Mohamed Abd El Maaboud Sakr	Chairman
• Abd El Moneim Shehata	Managing Director
• Youssry Moustafa Abd El Aziz	Vice Chairman
• Abd El Wahab Ibrahim	General Manager
• Mohamed Ibrahim El Sanafawy	Finance Manager
• Hesham Sayed	Sales Manager
• Khaled Shaaban	Marketing Manager
• Ahmed Gamal	Export Manager
• Mohamed Moustafa El Hawary	Factory Manager
• Abdallah Amin Seif	Accounts Manager
• Mohamed Farouk Mohamed	Purchase Manager

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- Ahmed Ossama — Human Resources Manager

LEGAL FORM & OWNERS

Date of Establishment : 1994

Legal Form : Egyptian Joint Stock Company

Commercial Reg. No. : 1868, Alexandria

Tax Card No. : 705-996-093

Issued Capital : £E 10,000,000

Paid up Capital : £E 10,000,000

Name of Shareholder (s)	Percentage
• Ahmed Mohamed Abd El Maaboud Sakr	97%
• Raafat Abd El Maaboud Sakr	2%
• Ossama Abd El Maaboud Sakr	1%

Notes to the legal Form
A Joint Stock Company (SAE) can be both a public or private company the capital of which is divided into shares of equal value; the liability of the shareholder is confined to the value of the shares to which he subscribes, and he is not liable for the debts of the company except within the limit of those shares. A JSC may be 100% owned by foreign investors and there should be at least three shareholders. The minimum capital of JSC companies is EGP 250,000 or EGP 500,000 if it is a public company.

AFFILIATED COMPANIES

- Sakr for International Investment
  23 Ibn Maged Street
  Sidi Gaber
  Alexandria

- El Riyada for International Trading
  23 Ibn Maged Street
  Sidi Gaber
  Alexandria

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OPERATIONS

Activities: Engaged in the production, packaging and export of foodstuffs, including UHT milk, fruit juice, vegetables, cheese and pure butter ghee.

Import Countries: New Zealand, Poland, United States of America, Australia and Germany

Export Countries: United Arab Emirates, Jordan, Lebanon, United States of America, Germany, France, Iraq and Libya

Brand Names: ROTANA, AL HALOUBA, HERO, EL WADI, FAMILY, SPORTY COW and DANA

Operating Trend: Steady

Subject has a workforce of approximately 500 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Egyptian Pounds (EGP)

Year	**Sales**
Year Ending 31/12/15:	EGP 121,000,000
Year Ending 31/12/16:	EGP 115,000,000
Year Ending 31/12/17:	EGP 118,000,000

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

Note:
According to Egyptian Commercial Law, only Joint Stock Companies SAE (Listed on the Stock Market) are required to publish their financial information. Financial information on other legal forms can only be obtained from the companies / businesses directly

BANKERS

- Citibank
  95, 26th July Street
  Azarita
  Alexandria
  Tel: (20-3) 4834363 / 4840342
  Fax: (20-3) 4884363

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- National Societe General Bank
  New Borg El Arab
  Alexandria
  Tel: (20-3) 4591891

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

SANCTION LIST CHECKS

The subject and its shareholders have been checked in the following sanctions list databases:

Sanctions list	**Results**
United Nations Sanctions	No matches
Australian Sanctions	No matches
Bureau of Industry and Security (US)	No matches
EU Financial Sanctions	No matches
Office of the Superintendent of Financial Institutions (Canada)	No matches
OFAC - Specially Designated Nationals (SDN)	No matches
UK Financial Sanctions (HMT)	No matches
US Consolidated Sanctions	No matches

GENERAL COMMENTS

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

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

Local sources report that the subject's operating history is clear with payment obligations met in a generally timely manner. The financial position is satisfactory and the company is deemed a fair trade risk.

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COUNTRY OUTLOOK

Recent Developments

The first quarter of FY17 (July to June) marked a slowdown in growth recording 3.4 percent compared to 5.1 percent in the same quarter last year, with annual growth in FY16 registering 4.3 percent. Growth was constrained by severe shortages in hard currency, an overvalued exchange rate and sluggish growth in Europe, Egypt's main trading partner. Key sectors continue to experience negative growth, particularly tourism and the oil and gas extractives sector that has been suffering from underinvestment and arrears.

The annual fiscal deficit in FY16 increased to 12.1 percent of GDP, up from 11 percent the year before. However, in the first half of FY17 the deficit declined to 5.4 percent of GDP, down from 6.4 percent in the same period last year. The improvement in the first half is solely driven by a decline in total expenditures, which compensates for a drop in total revenues. Lower expenditures were driven by a decrease in subsidies and public wages as a percentage of GDP.

The most recent data for the first quarter of FY17 show an overall surplus in the balance of payments of 0.5 percent of projected GDP, compared to a deficit of 1 percent during the same period of the previous year. The improvement in external accounts was mainly due to the narrowing trade deficit induced by an increase in merchandise exports (by 11.2 percent) and a decline in merchandise imports (by 4.8 percent). Meanwhile, Suez Canal receipts further deteriorated by 4.8 percent and net private transfers also declined by 21.8 percent. As a result, the current account deficit widened to 1.4 percent of GDP compared to 1.1 percent in the same quarter of the previous year. More positively, FDI inflows increased to US$1.9 billion over the same period, up from US$1.4 billion the previous year.

To stimulate growth and address major macroeconomic imbalances, the government embarked on a major economic reform program. The key features include (i) the liberalization of the exchange rate regime; (ii) fiscal consolidation through a combination of expenditure and revenue measures, notably cuts in fuel subsidies, containment of the wage bill and introduction of VAT; and (iii) reforms to the business environment and addressing impediments to industrial activity.

The reform program was supported by an IMF Extended Fund Facility of US$12 billion which contributes to cover Egypt's financing needs, the rest of which has been covered through disbursements under the World Bank, the African Development Bank and a number of bilateral loans, in addition to a recent issuance of Eurobonds in the amount of US$4 billion. Following the floatation, the exchange rate displayed strong overshooting (hitting its lowest rate of 19.5 in December compared to a pre-float fixed rate of 8.8), but has subsequently strengthened as foreign investor confidence picked up and backlogs of USD orders to finance imports eased. Net international reserves reached US$26.4 billion at-end January (6 months' imports), up from a pre-floatation level of US$19 billion.

Currency weakening has led to a sharp rise in inflation, which reached its highest recorded level of 30.2 percent in February 2017. Following the currency floatation, the CBE increased interest rates by 300 basis points (bringing the cumulative increase to 550 basis points since March 2016) to absorb excess liquidity and curb inflation. High inflation has contributed to the aggravation of social conditions, given the persistently high unemployment (12.6 percent in 2016). The recently adopted reform program involves efforts to improve social safety nets, notably through the partial reallocation of freed up resources from reduced energy and food subsidies; the expansion of

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cash transfer programs; and an increase in the general pension budget by 15 percent. Nonetheless, the mitigation of recent adverse
shocks will continue to depend on an effective targeting mechanism.

Outlook

GDP is expected to grow by 3.9 percent in FY17, and will be largely driven by public investment and to some extent net exports. Private investment is expected to pick up only in the second half of FY17, supported by enhanced competitiveness following the depreciation of the currency and the gradual implementation of business climate reforms. Tourism is also expected to steadily recover on the back of a weaker currency. Yet, growth will likely be undermined by slower growth of private consumption, which is expected to be negatively affected by record high inflation rates. Prudent monetary policy is projected to bring inflation down over the forecast horizon after the one off effects of depreciation, subsidy reforms, and the introduction of VAT dissipate.

The fiscal deficit is projected to narrow to 10.5 percent in FY17, contingent on the government's commitment and ability to sustain its fiscal consolidation plan. With the implementation of the VAT, the expected increase in the VAT rate to 14 percent from the current 13 percent, and efforts to improve tax collection, revenues are expected to improve, while expenditures will continue to be contained.

The current account deficit is expected to start improving in FY17, supported by a positive exchange rate effect and an increase in remittances transferred through formal channels.

In the near term high inflation is likely to have negative short-term effects on households. Current efforts to improve
targeting in the food smart-card program, currently used to protect the vulnerable population from food price shocks and ensure a minimum level of food security, could provide additional resources for an improved safety net.

Risks and challenges

Policy slippage and absence of real-sector reforms may negatively impact the anticipated economic recovery. Deteriorating security risks can adversely affect the recovery of the tourism sector, traditionally a main source of revenue and foreign currency.

On the social front, resources from fuel subsidy reform to be allocated to social programs may be lower than expected
due to currency depreciation, but efforts should continue to improve the efficiency of the safety net system. Sustained high unemployment may lower households' ability to improve their living conditions.

Key Economic Indicators	2014	2015	2016*	2017*	2018	2019
Real GDP Growth (%)	2.9	4.4	4.3	3.9	4.6	5.3
Inflation Rate (%)	10.1	10.4	10.2	20.1	14.2	11.3
Current Account Balance (% of GDP)	-0.9	-3.8	-6.1	-5.5	-4.4	-3.8
Fiscal Balance (% of GDP)	-11.5	-11.0	-12.1	-10.5	-9.2	-7.3

* forecast

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.92
UK Pound	1	INR 92.80
Euro	1	INR 83.60
EGP	1	INR 4.01

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

INFORMATION DETAILS

Analysis Done by :	PRI
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)