

MIRA INFORM REPORT

Report No. :	529613
Report Date :	11.09.2018

IDENTIFICATION DETAILS

Name :	GULF UNION FOODS COMPANY LTD
Registered Office :	Al Kharj Road, Industrial Area, Phase 3, PO Box 365, Riyadh 11383
Country :	Saudi Arabia
Financials (as on) :	31.12.2017
Year of Establishment :	1996
Com. Reg. No.:	1010149731, Riyadh
Legal Form :	Limited Liability Partnership
Line of Business :	Subject is engaged in the production of fruit juices and carbonated water. It operates 120 sales trucks.
No. of Employees :	580

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: infodept@mirainform.com while quoting report number, name and date.

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	: GULF UNION FOODS COMPANY LTD
Also Known As	: GULF UNION JUICE FACTORY
Country of Origin	: Saudi Arabia
Legal Form	: Limited Liability Partnership
Registration Date	: 1996
Commercial Registration Number	: 1010149731, Riyadh
Chamber Membership Number	: 76900
Issued Capital	: SR 200,000,000
Paid up Capital	: SR 200,000,000
Total Workforce	: 580
Activities	: Production of fruit juices and carbonated water
Financial Condition	: Good
Payments	: Regular
Operating Trend	: Steady
Person Interviewed	: Salah Eddine Munas, Finance Manager

COMPANY NAME

GULF UNION FOODS COMPANY LTD

ALSO KNOWN AS

GULF UNION JUICE FACTORY

ADDRESS

Registered & Physical Address

Street : Al Kharj Road
Area : Industrial Area, Phase 3
PO Box : 365
Town : Riyadh 11383
Country : Saudi Arabia
Telephone : (966-11) 2652855 (Ext 104)
Facsimile : (966-11) 2652779
Mobile : (966-55) 1715727
Email : info@gulf-union.com / munas@gulfunion.com

Premises

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

Branch Office (s)

<u>Location</u>	<u>Description</u>
PO Box: 6408 Riyadh 11442	Office premises
Jeddah Tel: (966-12) 6237630 Fax: (966-12) 6230156	Office premises
Makkah Tel: (966-12) 5365779 Fax: (966-12) 5365404	Office premises
Dammam	Office premises

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Tel: (966-13) 8145316
Fax: (966-13) 8145317

Qassim
Tel: (966-16) 3220166
Fax: (966-16) 5344559

Office premises

KEY PRINCIPALS

Name

Dr Sulaiman Al Roshaidi

Abdulrahman Al Qassim

Saad Ibrahim Al Moshah

Amira Mohamed Al Hail

Noura Ibrahim Mohamed Al Mojil

Salah Eddine Munas

Atif Al Khattab

Fadel Al Rahim

Abdul Khaliq Mansour

Abdulaziz Al Mohamed

Position

Managing Partner

Partner

Partner

Partner

Partner

Finance Manager

Marketing Manager

Production Manager

Commercial Manager

Administration Executive

LEGAL FORM & OWNERS

Date of Establishment : 1996 (Production began in 1999)

Legal Form : Limited Liability Partnership

Commercial Reg. No. : 1010149731, Riyadh

Chamber Member No. : 76900

Issued Capital : SR 200,000,000

Paid up Capital : SR 200,000,000

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Name of Partner (s)	Percentage
Gulf Food Beverages Investment Company (JADWA) Riyadh	30%
Abdulrahman Al Qassim	29%
Noura Ibrahim Mohamed Al Mojil	20%
Dr Sulaiman Al Roshaidi	14%
Amira Mohamed Al Hail	5%
Saad Ibrahim Al Moshah	2%

OPERATIONS

Activities: Engaged in the production of fruit juices and carbonated water. It operates 120 sales trucks.

Import Countries: Europe and the United States of America

Export Countries: GCC countries, Canada, United Kingdom, Indian Subcontinent

Brand Names: MAAZA, CAPTAIN, COOL UP, ANHAR and ORIGINAL

Operating Trend: Steady

Subject has a workforce of approximately 580 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Saudi Riyals (SR)

	Year Ending 31/12/16:	Year Ending 31/12/17:
Total Sales	SR 660,000,000	SR 665,000,000

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

The above financial figures are based on estimations by our local sources.

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BANKERS

National Commercial Bank
Malaz Branch
PO Box: 42536
Riyadh 11551
Tel: (966-11) 4776450
Fax: (966-11) 4769502

Al Rajhi Banking & Investment Corporation
PO Box: 28
Riyadh 11411
Tel: (966-11) 4054647 / 4054244
Fax: (966-11) 4044753 / 4052950
Account No. 16254/2

PAYMENT HISTORY

Regular

GENERAL COMMENTS

Please note that local correspondents spoke to Mr Salah Eddine Munas, Finance Manager who refused to divulge any information on the subject.

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 72.57
UK Pound	1	INR 93.74
Euro	1	INR 83.81
SAR	1	INR 19.33

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

INFORMATION DETAILS

Analysis Done by :	PRA
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)