

## MIRA INFORM REPORT

|                      |            |
|----------------------|------------|
| <b>Report No. :</b>  | 528715     |
| <b>Report Date :</b> | 12.09.2018 |

### IDENTIFICATION DETAILS

|                                |   |
|--------------------------------|---|
| <b>Name :</b>                  | GALAXY CHEMICALS (EGYPT) SAE  |
| <b>Registered Office :</b>     | Plot No. 9, Block M, Public Free Zone, Attaka, PO Box: 106, Suez 43527  |
| <b>Country :</b>               | Egypt   |
| <b>Financials (as on) :</b>    | 31.12.2017  |
| <b>Date of Incorporation :</b> | 14.07.2009  |
| <b>Com. Reg. No.:</b>          | 4840  |
| <b>Legal Form :</b>            | Egyptian Joint Stock Company  |
| <b>Line of Business :</b>      | Subject is engaged in the manufacture of personal hygiene and cosmetic products, including shampoo and toothpaste |
| <b>No. of Employees :</b>      | 170   |

**RATING & COMMENTS**

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

**MIRA's Rating :**

A

| Credit Rating | Explanation     | Rating Comments   |
|---------------|-----------------|---|
| A             | Acceptable Risk | Business dealings permissible with moderate risk of default |

|                            |               |
|----------------------------|---------------|
| <b>Status :</b>            | Good          |
| <b>Payment Behaviour :</b> | No Complaints |
| <b>Litigation :</b>        | Clear         |

**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

## ***SUMMARY***

|                                |   |
|--------------------------------|---|
| Company Name                   | : GALAXY CHEMICALS (EGYPT) SAE                            |
| Country of Origin              | : Egypt   |
| Legal Form                     | : Egyptian Joint Stock Company                            |
| Registration Date              | : 14th July 2009  |
| Commercial Registration Number | : 4840  |
| Authorised Capital             | : US\$ 140,000,000  |
| Issued Capital                 | : US\$ 20,000,000   |
| Paid up Capital                | : US\$ 20,000,000   |
| Total Workforce                | : 170   |
| Activities                     | : Manufacturers of personal hygiene and cosmetic products |
| Financial Condition            | : Good  |
| Payments                       | : No complaints   |
| Operating Trend                | : Steady  |

## ***COMPANY NAME***

GALAXY CHEMICALS (EGYPT) SAE

## ***ADDRESS***

### ***REGISTERED & PHYSICAL ADDRESS***

Location : Plot No. 9, Block M, Public Free Zone, Attaka  
PO Box : 106  
Town : Suez 43527  
Country : Egypt  
Telephone : (20-62) 3230321 / 3391906 / 2606460  
Facsimile : (20-62) 3230319  
Mobile : (20-100) 5827715  
Email : [info@galaxysurfactants.com](mailto:info@galaxysurfactants.com)

### ***Premises***

Subject operates from a large suite of offices and a factory that are owned and located in the Free Zone Area of Suez.

## ***KEY PRINCIPALS***

| <u>Name</u>                      | <u>Position</u>         |
|----------------------------------|-------------------------|
| • Oudai Kryshna Kamat            | Chairman                |
| • Ijanath Shakharem Kulkarni     | Managing Director       |
| • Shashyahkant Riaba Shanbag     | Director                |
| • Somet Dinseh Madwikar          | Director                |
| • Abhigit Sobhag Damly           | Director                |
| • Manikin Kaso                   | Director                |
| • Mahish Nishkant Malkar         | Director                |
| • Rag Kishor Sing                | Director                |
| • Bassem El Shamandy Ali Ibrahim | Human Resources Manager |

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

- Ahmed Samr Accountant
- Somet Dinseh Madwikar Finance Manager

## ***LEGAL FORM & OWNERS***

**Date of Establishment :** 14<sup>th</sup> July 2009

**Legal Form :** Egyptian Joint Stock Company

**Commercial Reg. No. :** 4840

**Authorised Capital :** US\$ 140,000,000

**Issued Capital :** US\$ 20,000,000

**Paid up Capital :** US\$ 20,000,000

| <i>Name of Shareholder (s)</i> | <i>Percentage</i> |
|--------------------------------|-------------------|
| • Galaxy Surfactants<br>India  | 90%               |
| • Oudai Kryshna Kamat          | 10%               |

### 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***

- Tri K Company

## ***OPERATIONS***

**Activities:** Engaged in the manufacture of personal hygiene and cosmetic products, including shampoo and toothpaste.

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**Production Capacity:** 64,000 tons per year

**Import Countries:** Germany, France and Italy

**Clients:**

- Henkel
- Unilever
- L'Oreal
- New Awa Chemical
- Adco Egypt

**Export Countries:** Saudi Arabia, Bahrain, Jordan, France, Turkey, Spain, Portugal and Russia

**Operating Trend:** Steady

Subject has a workforce of approximately 170 employees.

## ***FINANCIAL DATA***

Financial highlights provided by local sources are given below:

Currency: United States Dollars (US\$)

| <b>Year</b>           | <b>Sales</b>    |
|-----------------------|-----------------|
| Year Ending 31/12/14: | US\$ 75,000,000 |
| Year Ending 31/12/15: | US\$ 78,200,000 |
| Year Ending 31/12/16: | US\$ 81,500,000 |
| Year Ending 31/12/17: | US\$ 84,000,000 |

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

**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***

- QNB Al Ahli

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

5 El Galaa Street  
Suez

## ***PAYMENT HISTORY***

No complaints regarding subject's payments have been reported.

## ***GENERAL COMMENTS***

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

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

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***

Economic growth doubled (to 4.2 %) in FY15, after four years of slow growth. Yet challenges remain, and were aggravated by the recent foreign exchange crunch. Growth in FY15 (July 2014/June 2015) was attributed to the restoration of stability and improved confidence, resilient private consumption, and the government's public investments that started to crowd in private investments. The first quarter of FY16 witnessed subdued growth (of 3 %, from 5.6 % a year earlier), mainly due to foreign exchange shortages that stifled production. The inadequacy of foreign exchange along with an overvalued Pound hampered Egypt's competitiveness; lowering the volume of exports by 26 % in Q1-FY16. Unemployment inched downwards (to 12.8 % in the H1-FY15 versus 13.3 % a year earlier), albeit partially reflecting dropouts from the labour force. The labour force participation rate dropped to 46 % of the adult population (those above 15 years old) versus 50 % at end-2010. Headline inflation eased slowly in early-2016, reaching 9 % in February 2016, from an average of 11 % in the previous three months. The Central Bank of Egypt (CBE) has recently started tightening monetary policy to curb inflation, especially in light of the recent exchange rate depreciation.

The CBE allowed the official exchange rate to weaken in mid-March as pressures on external accounts intensified. Net international reserves (NIR) dropped in FY16, due to large debt repayments, the unfavourable external environment, the recent crash of the Russian airplane over Sinai, as well as the CBE's ongoing injection of foreign exchange to meet import needs and to clear forex backlogs. Thus, NIR declined to just below \$16.5

**DISCLAIMER** : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

billion in October 2015, and has stabilized at this level through end-February 2016. The CBE left the official exchange rate to weaken by 14.3 % on March 14, 2016, after the parallel market premium had surged to 18 % above the official rate. The CBE held a later auction at a slightly stronger exchange rate, but still signalled a move towards more flexibility.

The fiscal stance improved in FY15 due to key consolidation measures, but the reform momentum has faded in FY16. The budget deficit reached 11.5 % of GDP in FY15 (compared to 12.2 % of GDP in FY14, and 13 % of GDP in FY13), thanks to the partial streamlining of energy subsidies, revenue-enhancement measures, and the drop in international oil prices. This was achieved whilst the government raised allocations to health, education, and infrastructure, in line with the constitutional mandate. Yet, the reform pace has slowed down in FY16, as the energy subsidy reform program was only partially implemented, and the ratification of the VAT and the mining laws have been delayed.

The outlook is for GDP growth to slow down to 3.3 % in FY16, before rebounding thereafter. A combination of unfavourable domestic and external factors is undermining growth in FY16. Important sectors have been underperforming, notably, the extractives which continue to suffer from liquidity issues (accumulated arrears were recorded at \$3 billion in end-2015); and tourism, affected by the Russian plane crash last October. Externally, the sluggish recovery of the Euro zone is expected to weigh on Egypt's growth, while the lower oil prices and slowdown in Gulf countries might negatively impact Egyptians' remittances; hence private consumption. The deficit is expected to decline to 11.3 % of GDP in FY16, and decline further in the medium term, with continued fiscal consolidation effort. Egypt's external accounts are likely to worsen in FY16 before recovering afterwards, provided that monetary authorities continue to ease restrictions on foreign exchange and re-align the exchange rate.

| Key Economic Indicators            | 2014  | 2015  | 2016* | 2017* |
|------------------------------------|-------|-------|-------|-------|
| Real GDP Growth (%)                | 2.2   | 4.2   | 3.3   | 4.2   |
| Inflation Rate (%)                 | 10.1  | 10.9  | 9.8   | 9.5   |
| Fiscal Balance (% of GDP)          | -12.2 | -11.5 | -11.3 | -9.8  |
| Current Account Balance (% of GDP) | -0.9  | -3.7  | -4.6  | -4.6  |

\* forecast

**FOREIGN EXCHANGE RATES**

| Currency  | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1    | INR 72.32     |
| UK Pound  | 1    | INR 94.42     |
| Euro      | 1    | INR 84.08     |
| UAE Dh    | 1    | INR 19.83     |

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

**INFORMATION DETAILS**

|                             |     |
|-----------------------------|-----|
| <b>Analysis Done by :</b>   | DIV |
| <b>Report Prepared by :</b> | SYL |

**DISCLAIMER :** This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

**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)