

MIRA INFORM REPORT

Report No. :	531933
Report Date :	27.09.2018

IDENTIFICATION DETAILS

Name :	AL SABIH ENGINEERING AND TRADING CO WLL
Registered Office :	Building No. 78 Street No. 10 (Canada Dry Street) Shuwaikh Industrial Area No. 11336 Safat 13014
Country :	Kuwait
Financials (as on) :	31.12.2017
Date of Incorporation :	02.07.1963
Com. Reg. No.:	11153
Legal Form :	With Limited Liability - WLL
Line of Business :	Subject is engaged in the import and distribution of iron and steel, including galvanized plain and corrugated iron sheets, cold rolled sheets, T bars, chequered plates, square bars, angles, flat bars and hollow section profiles.
No. of Employees :	120

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 :	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.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Kuwait	A1	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

KUWAIT - ECONOMIC OVERVIEW

Kuwait has a geographically small, but wealthy, relatively open economy with crude oil reserves of about 102 billion barrels - more than 6% of world reserves. Kuwaiti officials plan to increase production to 4 million barrels of oil equivalent per day by 2020. Petroleum accounts for over half of GDP, 92% of export revenues, and 90% of government income.

In 2015, Kuwait, for the first time in 15 years, realized a budget deficit after decades of high oil prices; in 2016, the deficit grew to 16.5% of GDP. Kuwaiti authorities announced cuts to fuel subsidies in August 2016, provoking outrage among the public and National Assembly, and the Amir dissolved the government for the seventh time in ten years. In 2017 the deficit was reduced to 7.2% of GDP, and the government raised \$8 billion by issuing international bonds. Despite Kuwait's dependence on oil, the government has cushioned itself against the impact of lower oil prices, by saving annually at least 10% of government revenue in the Fund for Future Generations.

Kuwait has failed to diversify its economy or bolster the private sector, because of a poor business climate, a large public sector that employs about 74% of citizens, and an acrimonious relationship between the National Assembly and the executive branch that has stymied most economic reforms. The Kuwaiti Government has made little progress on its long-term economic development plan first passed in 2010. While the government planned to spend up to \$104 billion over four years to diversify the economy, attract more investment, and boost private sector participation in the economy, many of the projects did not materialize because of an uncertain political situation or delays in awarding contracts. To increase non-oil revenues, the Kuwaiti Government in August 2017 approved draft bills supporting a Gulf Cooperation Council-wide value added tax scheduled to take effect in 2018.

Source : CIA

SUMMARY

Company Name	: AL SABIH ENGINEERING AND TRADING CO WLL
Country of Origin	: Kuwait
Legal Form	: With Limited Liability - WLL
Registration Date	: 2 nd July 1963
Commercial Registration Number	: 11153
Trade Licence Number	: 1248/98
Chamber Membership Number	: 814
Issued Capital	: KD 1,000,000
Paid up Capital	: KD 1,000,000
Total Workforce	: 120
Activities	: Distributors of iron and steel
Financial Condition	: Fair
Payments	: No Complaints
Operating Trend	: Steady

COMPANY NAME

AL SABIH ENGINEERING AND TRADING CO WLL

ADDRESS

Registered & Physical Address

Building : Building No. 78
Street : Street No. 10 (Canada Dry Street)
Area : Shuwaikh Industrial Area No. 1
PO Box : 1336
Town : Safat 13014
Country : Kuwait
Telephone : (965) 24813915 / 24813916 / 24842145 / 24835095
Facsimile : (965) 24833814 / 24832889
Email : alsabih@qualitynet.net

Premises

Subject operates from a medium sized suite of offices and a factory that are rented and located in the Industrial Area of Safat.

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
Saud Fahad Barak Al Sabih	Managing Director
Tariq Fahad Barak Al Sabih	Director
Mohamed Yahya	Sales Manager
Mahmoud Abu Zaid	Sales Manager
Amer Mohamed Mostafa	Financial Controller

LEGAL FORM & OWNERS

Date of Establishment : 2nd July 1963

Legal Form : With Limited Liability - WLL

Commercial Reg. No. : 11153

Trade Licence No. : 1248/98

Chamber Member No. : 814

Issued Capital : KD 1,000,000

Paid up Capital : KD 1,000,000

Name of Shareholder (s)

Saud Fahad Barak Al Sabih

Tariq Fahad Barak Al Sabih

AFFILIATED COMPANIES

Fahd Al Sabih for General Trading & Contracting Co WLL
Safat

OPERATIONS

Activities: Engaged in the import and distribution of iron and steel, including galvanized plain and corrugated iron sheets, cold rolled sheets, T bars, chequered plates, square bars, angles, flat bars and hollow section profiles.

Import Countries: Europe and GCC countries

International Suppliers:

Al Rajhi Steel	Saudi Arabia
Universal Pipe	United Arab Emirates
Excel Steel	United Arab Emirates
KHK	United Arab Emirates

Operating Trend: Steady

Subject has a workforce of 120 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Kuwaiti Dinars (KD)

	Year Ending 31/12/16:	Year Ending 31/12/17:
Total Sales	KD 5,135,000	KD 5,400,000

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

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

BANKERS

Commercial Bank of Kuwait SAK
Mubarak Al Kabir Street
PO Box: 2861
Safat 13029
Tel: (965) 22411001
Fax: (965) 22450150

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

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.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.71
UK Pound	1	INR 95.76
Euro	1	INR 85.36
KWD	1	INR 239.88

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	POJ

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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)