

MIRA INFORM REPORT

Report No. :	531950
Report Date :	28.09.2018

IDENTIFICATION DETAILS

Name :	MAHDI HABIB COMMERCIAL EST
Registered Office :	Airport Road, Street No. 12, Plot No. 75, Shuwaikh Industrial Area No. 1, PO Box 138 Safat 13002
Country :	Kuwait
Financials (as on) :	31.12.2017
Date of Incorporation :	26.11.1995
Com. Reg. No.:	3982
Legal Form :	Sole Proprietorship
Line of Business :	Subject's operations are performed through the following divisions: <ul style="list-style-type: none"> • Furniture Division • Cigarette & Tobacco Division • Mahdi Habib Factory Division
No. of Employees :	45

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

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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.

With world oil prices declining, Kuwait realized a budget deficit in 2015 for the first time more than a decade; 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	: MAHDI HABIB COMMERCIAL EST
Country of Origin	: Kuwait
Legal Form	: Sole Proprietorship
Registration Date	: 26 th November 1995
Commercial Registration Number	: 3982
Trade Licence Number	: 2235/84
Chamber Membership Number	: 48010
Invested Capital	: KD 200,000
Total Workforce	: 45
Activities	: Subject operates several divisions (see below for details)
Financial Condition	: Fair
Payments	: No Complaints
Operating Trend	: Steady

COMPANY NAME

MAHDI HABIB COMMERCIAL EST

ADDRESS

Registered & Physical Address

Street : Airport Road, Street No. 12, Plot No. 75
Area : Shuwaikh Industrial Area No. 1

PO Box : 138

Town : Safat 13002
Country : Kuwait

Telephone : (965) 24845043 / 24845075 / 24845083 / 24845142 / 24574230 / 24574260
Facsimile : (965) 24819453 / 24557810
Email : mhcomest@qualitynet.net / mhfactory@mahdihabib.com

Premises

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

Branch Office (s)

<u>Location</u>	<u>Description</u>
Airport Road, Plot No. 75 Shuwaikh Tel : (965) 24846347 / 24846503 / 24840790 Fax : (965) 24843779	Showroom premises
4th Ring Road Shuwaikh Tel : (965) 24831541 / 24836217 / 24829663 Fax : (965) 24847214	Showroom premises
Ahmed Al Jaber Street Safat Tel : (965) 22424856 / 22430728 Fax : (965) 22430729	Showroom premises
Shuwaikh	Warehouse premises

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Tel : (965) 24848723 / 24846296 / 24817025

Therma Building
Ali Al Salem Street
Salhiyah
Tel: (965) 22423324 / 22424856
Fax: (965) 22430729

Showroom premises

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
Mahdi Habib Al Zaher	Proprietor & General Manager
Emad Mahdi Habib Al Zaher	Assistant General Manager
Mahmoud Abu Ali	Finance Manager

LEGAL FORM & OWNERS

Date of Establishment	: 26 th November 1995
Legal Form	: Sole Proprietorship
Commercial Reg. No.	: 3982
Trade Licence No.	: 2235/84
Chamber Member No.	: 48010
Invested Capital	: KD 200,000

Mr Mahdi Habib Al Zaher is the sole proprietor of the business.

OPERATIONS

Activities: Subject's operations are performed through the following divisions:

Furniture Division

Engaged in the import and distribution of office furniture, including desks, chairs, workstations, storage units, conference tables, counters and podiums, partitions and fire resistant safe cabinets.

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Cigarette & Tobacco Division

Engaged in the import and distribution of cigarettes, cigars, tobacco, pipes, cigarette holders and related accessories.

Mahdi Habib Factory Division

Engaged in the manufacture of sofas, partitions, steel furniture, shelving, wooden flooring, customization of furniture and undertaking turnkey projects starting from civil works, decoration until supply of loose furniture. Our workshop has many sections such as upholstery section, carpentry section, painting section, metal works & maintenance section.

Product range
Steel & Wooden Desks
Bookcases & Credenzas
Pedestals
Reception counters
Coffee/Tea Tables
Conference Tables
Steel & Wooden Chairs
Sofas (Single, 2 and 3 seaters)
Steel Furniture
School Furniture (Wooden & Steel)
Partitioning
Steel Storage (Angles and Shelves)

Import Countries : Europe and GCC countries.

Operating Trend : Steady

Subject has a workforce of 45 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Kuwaiti Dinar (KD)

	Year Ending 31/12/16:	Year Ending 31/12/17:
Total Sales	KD 3,400,000	KD 3,500,000

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

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

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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

Please note that the correct name of the subject is "Mahdi Habib Commercial Est" and not "Mahdi Habib Factory".

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 business is considered to be a fair trade risk.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.65
UK Pound	1	INR 95.43
Euro	1	INR 85.04
KWD	1	INR 239.09

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	DNS

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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)

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