

MIRA INFORM REPORT

Report No. :	531953
Report Date :	28.09.2018

IDENTIFICATION DETAILS

Name :	UNION TRADING CO WLL
Registered Office :	Dawliah Centre, 3rd Floor, Fahed Al Salam Street, Salhiya, P O Box: 28, Safat 13001
Country :	Kuwait
Financials (as on) :	31.12.2017
Date of Incorporation :	Subject's operations date back to 1949, however it was registered on 27 th February 1960
Com. Reg. No.:	5530
Legal Form :	With Limited Liability - WLL
Line of Business :	<p>Subject's operations are performed through the following divisions:</p> <ul style="list-style-type: none"> • <u>Readymade Garments Division</u> Engaged in the wholesale and retail of readymade garments and fashion accessories. • <u>Cosmetics & Perfumery Division</u> Engaged in the wholesale and retail of cosmetics, beauty products and perfumes. • <u>Watches & Jewellery Division</u> Engaged in the wholesale and retail of watches, jewellery and luxury products. • <u>Procter & Gamble Division</u> Engaged in the wholesale and retail of toiletries, razors, shaving foam, shampoo, soap and cream.
No. of Employees :	450

RATING & COMMENTS

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(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.

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

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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	: UNION TRADING CO WLL
Country of Origin	: Kuwait
Legal Form	: With Limited Liability - WLL
Start Date	: 1949
Registration Date	: 27 th February 1960
Commercial Registration Number	: 5530
Trade Licence Number	: 961/74
Chamber Membership Number	: 864
Issued Capital	: KD 1,200,000
Paid up Capital	: KD 1,200,000
Total Workforce	: 450
Activities	: Subject operates several divisions (see below for details)
Financial Condition	: Fair
Payments	: No Complaints
Operating Trend	: Steady

COMPANY NAME

UNION TRADING CO WLL

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Building : Dawliah Centre, 3rd Floor
Street : Fahed Al Salam Street
Area : Salhiya

PO Box : 28

Town : Safat 13001
Country : Kuwait

Telephone : (965) 22423351 / 22423360 / 22423350 / 22423355 / 22414060 / 22410298
Facsimile : (965) 22410261 / 22410361 / 22463829
Email : info@utc.com.kw / utckwt@kems.net

Premises

Subject operates from a large suite of offices that are rented and located in the Central Business Area of Safat.

Branch Office (s)

<u>Location</u>	<u>Description</u>
• Jahra Shop Fahad Al Salam Street Safat	Rented showroom premises
• Salhiya Shop United Estate Centre Safat	Rented showroom premises
• Salmiya Shop Salim Al Mubarak Street Safat	Rented showroom premises
• Asrar Shop Al Fanar Shopping Mall Ras Al Salmiya	Rented showroom premises

- Mubarkia Shop
New Street
Mubarkia Rented showroom premises
- North Salmiyah Building
Main Street
Salmiyah Rented showroom premises
- Al Marzoak Complex
Main Street
Farwaniah Rented showroom premises
- Al Dabboos Complex
Al Dabboos Street
Fahaheel Rented showroom premises
- East Ahmadi Market
Ahmadi Rented showroom premises
- Al Rehab Complex
Tunis Street
Hawalli Rented showroom premises

KEY PRINCIPALS

<u>Name</u>	<u>Nationality</u>	<u>Position</u>
• Tariq Abdulrazzaq Mahmoud Razzuqi	Kuwaiti	Managing Director
• Khalid Abdulrazzaq Mahmoud Razzuqi	Kuwaiti	Director
• Mahmoud Abdulrazzaq Mahmoud Razzuqi	Kuwaiti	Director
• Derar Abdulrazzaq Mahmoud Razzuqi	Kuwaiti	Director
• Mohamed Abdulrazzaq Mahmoud Razzuqi	Kuwaiti	Director
• Hisham Abdulrazzaq Mahmoud Razzuqi	Kuwaiti	Director
• Adnan Abdulrazzaq Mahmoud Razzuqi	Kuwaiti	Director
• Daniel Bahsir Hasso	American	Director
• Ms Salwa Abdulrazzaq Mahmoud Razzuqi	Kuwaiti	Director
• Ms Seham Abdulrazzaq Mahmoud Razzuqi	Kuwaiti	Director

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• Ms Hana Abdulrazzaq Mahmoud Razzuqi	Kuwaiti	Director
• Ms Hind Abdulrazzaq Mahmoud Razzuqi	Kuwaiti	Director
• Ms Ghanela Abdulrazzaq Mahmoud Razzuqi	Kuwaiti	Director
• Ms Safiya Ghassan Abdulrazzaq Razzuqi	Kuwaiti	Director
• Ms Khaledah Abdulrazzaq Razzuqi	Kuwaiti	Director
• Ms Maha Abdulrazzaq Razzuqi	Kuwaiti	Director
• Ms Fatima Abdullah Al Ammar	Kuwaiti	Director
• Ms Aseel Saleh Al Fadalal	Kuwaiti	Director
• Andrew Denby	-	General Manager
• Varghese P Thomas	-	Finance Manager
• Ahmed Fawzi Manager	-	Human Resources
• Radhawan Azzam	-	Sales Manager

LEGAL FORM & OWNERS

Date of Establishment : Subject's operations date back to 1949, however it was registered on 27th February 1960

Legal Form : With Limited Liability - WLL

Commercial Reg. No. : 5530

Trade Licence No. : 961/74

Chamber Member No. : 864

Issued Capital : KD 1,200,000

Paid up Capital : KD 1,200,000

Name of Shareholder (s)

- Tariq Abdulrazzaq Mahmoud Razzuqi

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- Khalid Abdulrazzaq Mahmoud Razzuqi
- Mahmoud Abdulrazzaq Mahmoud Razzuqi
- Derar Abdulrazzaq Mahmoud Razzuqi
- Mohamed Abdulrazzaq Mahmoud Razzuqi
- Hisham Abdulrazzaq Mahmoud Razzuqi
- Adnan Abdulrazzaq Mahmoud Razzuqi
- Daniel Bahsir Hasso
- Ms Salwa Abdulrazzaq Mahmoud Razzuqi
- Ms Seham Abdulrazzaq Mahmoud Razzuqi
- Ms Hana Abdulrazzaq Mahmoud Razzuqi
- Ms Hind Abdulrazzaq Mahmoud Razzuqi
- Ms Ghanela Abdulrazzaq Mahmoud Razzuqi
- Ms Safiya Ghassan Abdulrazzaq Razzuqi
- Ms Khaledah Abdulrazzaq Razzuqi
- Ms Maha Abdulrazzaq Razzuqi
- Ms Fatima Abdullah Al Ammar
- Ms Aseel Saleh Al Fadalal

OPERATIONS

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

- **Readymade Garments Division**

Engaged in the wholesale and retail of readymade garments and fashion accessories.

- **Cosmetics & Perfumery Division**

Engaged in the wholesale and retail of cosmetics, beauty products and perfumes.

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• **Watches & Jewellery Division**

Engaged in the wholesale and retail of watches, jewellery and luxury products.

• **Procter & Gamble Division**

Engaged in the wholesale and retail of toiletries, razors, shaving foam, shampoo, soap and cream.

Import Countries: The United Kingdom, France, Germany, Japan and the United States of America

International Suppliers:

- | | |
|-----------------------------|--------------------------|
| • General Foods | United States of America |
| • Shulton | United Kingdom |
| • Seriom | France |
| • Braun | Germany |
| • Fujitsu | Japan |
| • Zamil Airconditioners Ltd | Saudi Arabia |

Brand Names: BISSELL, ALGOR, YARDLEY, CARTERS, GILLETTE, DURACELL, PRESTIGE, ADDIS, HANSSON, GLEM GAS, GUZZINI, LEE JEANS, JOCKEY, WARNERS, ORAL B, RONCATO, VILEDIA, YARDLEY, TIMEX, VALISERE, BRITWEAR and BLUE STRATOS

Operating Trend: Steady

Subject has a workforce of approximately 450 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 21,850,000	KD 22,400,000

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

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

BANKERS

- National Bank of Kuwait
Ali Awadi Tower
Ahmed Al Jaber Street
PO Box: 95
Safat 13001
Tel: (965) 23981188 / 23981189
Fax: (965) 23985643

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.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.65
UK Pound	1	INR 95.44
Euro	1	INR 85.04
KWD	1	INR 239.23

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)