

MIRA INFORM REPORT

| | |
|----------------------|------------|
| Report No. : | 522763 |
| Report Date : | 04.08.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|---|
| Name : | PAN GULF INTERNATIONAL METALS INDUSTRY LLC |
| Registered Office : | Industrial Area 10 Behind Fourth Street PO Box: 7067 Sharjah |
| Country : | United Arab Emirates |
| Financials (as on) : | 31.12.2017 |
| Date of Incorporation : | 20.03.1997 |
| Com. Reg. No.: | 122617 |
| Legal Form : | Limited Liability Company |
| Line of Business : | Importers, recyclers and wholesalers of ferrous and non-ferrous metals. |
| No. of Employees : | 170 |

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.

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ECGC Country Risk Classification List

| Country Name | Previous Rating (31.12.2017) | Current Rating (01.04.2018) |
|----------------------|---------------------------------|--------------------------------|
| United Arab Emirates | 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 |

UNITED ARAB EMIRATES - ECONOMIC OVERVIEW

The UAE has an open economy with a high per capita income and a sizable annual trade surplus. Successful efforts at economic diversification have reduced the portion of GDP from the oil and gas sector to 30%.

Since the discovery of oil in the UAE nearly 60 years ago, the country has undergone a profound transformation from an impoverished region of small desert principalities to a modern state with a high standard of living. The government has increased spending on job creation and infrastructure expansion and is opening up utilities to greater private sector involvement. The country's free trade zones - offering 100% foreign ownership and zero taxes - are helping to attract foreign investors.

The global financial crisis of 2008-09, tight international credit, and deflated asset prices constricted the economy in 2009. UAE authorities tried to blunt the crisis by increasing spending and boosting liquidity in the banking sector. The crisis hit Dubai hardest, as it was heavily exposed to depressed real estate prices. Dubai lacked sufficient cash to meet its debt obligations, prompting global concern about its solvency and ultimately a \$20 billion bailout from the UAE Central Bank and Abu Dhabi Government that was refinanced in March 2014.

The UAE's dependence on oil is a significant long-term challenge, although the UAE is one of the most diversified countries in the Gulf Cooperation Council. Low oil prices have prompted the UAE to cut expenditures, including on some social programs, but the UAE has sufficient assets in its sovereign investment funds to cover its deficits. The government reduced fuel subsidies in August 2015, and introduced excise taxes (50% on sweetened carbonated beverages and 100% on energy drinks and tobacco) in October 2017. A five-percent value-added tax (VAT) was introduced in January 2018. The UAE's strategic plan for the next few years focuses on economic diversification, promoting the UAE as a global trade and tourism hub, developing industry, and creating more job opportunities for nationals through improved education and increased private sector employment.

Source : CIA

SUMMARY

| | | | | |
|----------------------|---|-----------------------------------|----------------------------|---------------------------|
| COMPANY NAME | PAN GULF INTERNATIONAL METALS INDUSTRY LLC | | | |
| ADDRESS | Building PGI Bldg. | Area Industrial Area No. 10 | Town Sharjah | PO Box 7067 Sharjah |
| TEL/FAX | Verified Phones: (+971 6) 534 6454 / Fax: (+971 6) 534 6414 | | | |
| EMAIL/WEBSITE | Email: info@pgi.ae / Website: www.pgi.ae | | | |
| ACTIVITY | NACE 4677 - Wholesale of waste and scrap; NACE 4672 - Wholesale of metals and metal ores; | | | |
| PRINCIPAL | R.A. Chandgi Gupta President | | | Workforce 170 |
| LEGAL INFO | Date Of Est. 20/03/1997 | Reg. No. 122617 | Legal Form LLC | Status Active |
| CAPITAL | CURRENCY AED | | AMOUNT 3,000,000 | |

IDENTIFICATION

| | | | |
|----------------------------|---|------------------------------------|----------------------------------|
| CO. NAME | PAN GULF INTERNATIONAL METALS INDUSTRY LLC | | |
| ENQUIRED NAME | PAN GULF INTERNATIONAL METALS INDUSTRIES LLC | | |
| FORMER NAME | PAN GULF INTERNATIONAL GENERAL TRADING LLC | | |
| ALSO KNOWN NAME (S) | PGI | | |
| BUILDING | PGI Bldg. | | |
| AREA | Industrial Area No. 10 | | |
| POSTAL ADDRESS | 7067 Sharjah | | |
| TOWN | Sharjah | | |
| COUNTRY | United Arab Emirates | | |
| TELEPHONE | (+971 6) 534 6454 / Mobile (+971 50) 367 0737 | | |
| FAX | (+971 6) 534 6414 | | |
| VERIFIED EMAIL | info@pgi.ae / pgi@eim.ae | | |
| WEBSITE | www.pgi.ae | | |
| BUSINESS HOURS | DAYS Sun-Thu | OFFICE HOURS 08:00-18:00 | BREAK TIME 13:00-14:00 |
| REGISTERED ADDRESS | Industrial Area 10 Behind Fourth Street PO Box: 7067 Sharjah | | |

SENIOR PERSONNEL

| MANAGEMENT | NAME | POSITION |
|-------------------|---------------------------------------|-------------------------|
| | R.A. Chandgi Gupta | President |
| | Anshal Gupta R. (son of the above) | Chief Executive Officer |
| | Shilpa Gupta | Director |
| WORKFORCE | NO. OF EMPLOYEES | PERIOD |
| | 170 | 08.2018 |

FINANCIAL SUMMARY

| | | |
|----------------------------|---|--|
| TURNOVER | 31/12/2017 USD 300,000,000 | 31/12/2018 (Projected) USD 350,000,000 |
| NET PROFIT / (LOSS) | Not given but stated to be profitable | |
| NOTES | The following financial information applies to PGI Group (subject and its affiliates): Sales Turnover : USD 600,000,000 – 2018 (Projected) | |
| FISCAL YEAR-END | Financial year end 31 December. 31 December. | |

LEGAL STATUS

| | | |
|---------------------------|--|--|
| INCORPORATION | 20/03/1997 | ISSUED BY Sharjah Economic Development Department (SEDD) |
| REGISTRATION NO. | C.R. NUMBER Trade License No.: 122617 (expiry date: 17/03/2019) | |
| AUTHORISED CAPITAL | AMOUNT 3,000,000 | CURRENCY AED |
| PAID-UP CAPITAL | AMOUNT 3,000,000 | CURRENCY AED |
| BUSINESS HISTORY | The Company was incorporated in Sharjah on 20 March 1997. | |
| LEGAL FORM | Limited Liability Company | |
| STATUS | Active | |

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| SHAREHOLDERS | NAME | PERCENTAGE |
|--------------|--|------------|
| | 1. R.A. Chandgi Gupta Nationality: Indian | 40.00% |
| | 2. Anshal Gupta R. Nationality: Indian | 9.00% |
| | 3. Undisclosed local Emirati sponsor * | 51.00% |

* The local sponsor, according to UAE laws must hold a minimum of 51% of the capital, however, in practice and unofficially the sponsor gets a fixed annual percentage of the profit and a sponsorship fee without any investment in the company.

OPERATION

BANKERS

1. Bank Of Baroda
Ali Bin Talib Street
P.O. Box : 3162
Dubai
Telephone: (+971 4) 353 1955
Fax : (+971 4) 353 6962
2. Habib Bank AG Zurich
Al Ittihad Square
PO Box : 3138
Dubai
Telephone: (+971 4) 225 2001
Fax : (+971 4) 228 4211
3. Standard Chartered Bank
Khalid Bin Waleed Street
PO Box 999
Dubai
Telephone: (+971 4) 352 0455
Fax : (+971 4) 352 6679

ACTIVITY CODE (NACE) 4677 - Wholesale of waste and scrap; 4672 - Wholesale of metals and metal ores;

LINE OF BUSINESS Importers, recyclers and wholesalers of ferrous and non-ferrous metals.

Subject's range of products include:

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Ferrous:

- Magnese Steel;
- Low Nickel Alloy Steel;
- Rerollable Steel;
- Shredded;
- Heavy Melting Steel.

Non-ferrous:

- Copper;
- Brass & Bronze;
- Aluminium;
- Lead;
- Zinc;
- Stainless Steel & Other Nickel Alloys;
- Titanium.

Subject is a member of BMR, China Nonferrous Metals Industry Association, Metal Recycling Association of India and Bureau of International Recycling.

IMPORT FROM

Worldwide, mainly from Africa, North America, Far East and South Asian countries.

EXPORT TO

Worldwide, mainly to Middle East and Far East and South Asian countries.

FACILITIES

Owned premises comprising administrative offices, a recycling unit and storage facilities located at the heading address. PGI Group has premises total area of 25,000 sq. m. in multiple locations.

RELATED COMPANIES

Subject is a member of PGI Group, which also includes the following companies:

Associates

1. Shanghai Gulf Metal Scrap Trading LLC
Industrial Area No. 10
P.O. Box 7067
Sharjah
Phone: (+971 6) 534 6454
2. Parul Alloy Pvt. Ltd
MMC GODOWN, Godown No 1, Plot No. 1, Block G,
Sector-12, Gandhidham-370202 Kutch, Gujrat
India

3. Thai Metal Impex Co. Ltd
552 Moo 15 Soi Thaiprakan 2, Theparak Road,
T. Bangsaonthon, Samutprakaran Province 10540,
Thailand
Phone: (+662) 763 8774
Fax : (+662) 763 8799

PAYMENT RECORDS

CREDIT OPINION

We consider it is acceptable to deal with subject for LARGE amounts.

SPECIAL REMARKS

INTERVIEWED

R.A. Chandgi Gupta (President).

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 68.79 |
| UK Pound | 1 | INR 89.52 |
| Euro | 1 | INR 79.67 |
| UAE DH | 1 | INR 18.65 |

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

INFORMATION DETAILS

| | |
|----------------------|-----|
| Analysis Done by : | DIV |
| Report Prepared by : | TRU |

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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)