

MIRA INFORM REPORT

Report No. :	543742
Report Date :	08.12.2018

IDENTIFICATION DETAILS

Name :	SIROYA JEWELLERS LLC
Registered Office :	The Gold Center, 1 st Floor, Suite 27, Al Khor Street, New Gold Souq, Zone No. 5, Deira, P O Box: 16067, Dubai
Country :	United Arab Emirates
Financials (as on) :	31.12.2017
Date of Incorporation :	06.11.1992
Com. Reg. No.:	42492, Dubai
Legal Form :	Limited Liability Company - LLC
Line of Business :	Retailers of jewellery, specialising in 21K & 22K jewellery pieces, as well as dealing in rough, cut and polished diamonds, precious stones like emeralds and rubies.
No. of Employees :	65

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 :	Slow but Correct
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 (30.06.2018)	Current Rating (30.09.2018)
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 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	: SIROYA JEWELLERS LLC
Country of Origin	: Dubai, United Arab Emirates
Legal Form	: Limited Liability Company - LLC
Registration Date	: 6 th November 1992
Commercial Registration Number	: 42492, Dubai
Trade Licence Number	: 229396
Chamber Membership Number	: 25536
Issued Capital	: UAE Dh 300,000
Paid up Capital	: UAE Dh 300,000
Total Workforce	: 65
Activities	: Retailers of jewellery
Financial Condition	: Good
Payments	: Slow but correct
Operating Trend	: Steady
Person Interviewed	: H R Banfna, Finance Manager

COMPANY NAME

SIROYA JEWELLERS LLC

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Building : The Gold Center, 1st Floor, Suite 27
Street : Al Khor Street
Area : New Gold Souq, Zone No. 5, Deira

PO Box : 16067

Town : Dubai
Country : United Arab Emirates

Telephone : (971-4) 2265678 / 2254254 / 2264447 / 2996936
Facsimile : (971-4) 2251840 / 2266387
Mobile : (971-50) 5537875 / 6542020 / (971-55) 2741000 / 2410770
Email : siroya@emirates.net.ae

Premises

Subject operates from a medium sized suite of offices and a showroom that are rented and located in the Central Business Area of Dubai.

Branch Office (s)

<u>Location</u>	<u>Description</u>
• Hamil Bin Khadim Al Ghaith Building Al Khaleej Street Dubai Tel: (971-4) 2261313 Fax: (971-4) 2251840	Rented showroom
• Mirza Hussain Al Fardan Building Al Mussalla Street Al Souq Al Kabeer, Bur Dubai Dubai Tel: (971-4) 3511001 Fax: (971-4) 3511002	Rented showroom

KEY PRINCIPALS

<u>Name</u>	<u>Nationality</u>	<u>Position</u>
• Chandra Prakash Siroya	Indian	Managing Director
• Ashok Siroya	Indian	Director
• Sheikh Majud Hamad Al Qassimi	Emirati	Director
• H R Banfna	-	Finance Manager
• Rajesh Jain	-	Commercial Manager
• Jayan Thakkar	-	Sales Manager

LEGAL FORM & OWNERS

Date of Establishment : 6th November 1992

Legal Form : Limited Liability Company - LLC

Commercial Reg. No. : 42492, Dubai

Trade Licence No. : 229396 (Expires 30/10/2019)

Chamber Member No. : 25536

Issued Capital : UAE Dh 300,000

Paid up Capital : UAE Dh 300,000

Name of Shareholder (s)	Percentage
• Sheikh Majud Hamad Al Qassimi	51%
• Chandra Prakash Siroya	25%
• Ashok Siroya	24%

Notes to the legal Form

The LLC requires a minimum of two and a maximum of 50 members. The minimum share capital required is UAE Dh 300,000. Shareholders are only liable up to the extent of the value of their shares. This type of company may engage in any form of legitimate business, with the exception of insurance, banking and investment of funds. The company is not obliged to publish its accounts. The participation of non-Emirati in a trade or business in the United Arab Emirates is governed by the Foreign Business Investment Law, which sets capital requirements and requires 51 percent Emirati participation in capital and profits. It is common for the 51 percent to be held by the UAE national on paper only with the foreign partner(s) providing all the capital requirements for the company and paying an annual fee to the local partner.

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AFFILIATED COMPANIES

- Happy Umbrella FZC
Ras Al Khaimah
- Belgium Diamond Jewellery LLC
Dubai
- Kunal Gold Industrial Factory Ltd
Dubai
- Al Basti International
Dubai
- Bali Bullion Trading FZC
Hamriyah
Sharjah
- Bullion & Gems Trading FZC
Hamriyah
Sharjah

OPERATIONS

Activities: Retailers of jewellery, specialising in 21K & 22K jewellery pieces, as well as dealing in rough, cut and polished diamonds, precious stones like emeralds and rubies.

Subject also provides custom made jewellery items and handmade bangles.

Import Countries: Bahrain, India, Italy, Turkey, Singapore and Malaysia

International Suppliers:

- | | |
|--------------------------|-----------|
| • Awesome Export Ltd | India |
| • Modern Impex | India |
| • Ashmok Parek Jewellery | India |
| • Pakash Golden Palace | India |
| • Uni Gold Pvt Ltd | Singapore |

Operating Trend: Steady

Subject has a workforce of 65 employees.

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FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: United Arab Emirates Dirham (UAE Dh)

Year	Sales
Year Ending 31/12/14:	UAE Dh 568,000,000
Year Ending 31/12/15:	UAE Dh 575,000,000
Year Ending 31/12/16:	UAE Dh 450,000,000
Year Ending 31/12/17:	UAE Dh 470,000,000

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

Note:

According to local Commercial Law, only publicly listed companies are required to publish their financial information. Financial information on other legal forms can only be obtained from the companies / businesses directly

BANKERS

- Standard Chartered Bank
Khalid Bin Waleed Street
Mankhool Branch
PO Box: 999
Dubai
Tel: (971-4) 2520455
- Habib Bank Ltd
Murshid Bazaar
PO Box: 888
Dubai
Tel: (971-4) 2221281
Fax: (971-4) 2284631
- National Bank of Ras Al Khaimah
PO Box: 1531
Dubai
Tel: (971-4) 2226291
Fax: (971-4) 2281312

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PAYMENT HISTORY

Slow but correct

GENERAL COMMENTS

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

- Internal database
- Journals, directories, media & web searches
- Local Registry office
- Interview with H R Banfna, Finance Manager

Siroya Jewellers LLC specialises in 21K & 22K jewellery pieces, as well as dealing in rough, cut and polished diamonds, precious stones like emeralds and rubies.

The company is owned by members of the Siroya family who have many years experience in the jewellery industry and are respected businessmen in the local community.

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

The economy continues to experience a slowdown in economic growth as a result of low oil prices. Real GDP achieved sustained growth of over 6 % per year in recent decades, with oil surpluses invested into the non-oil economy. In particular, the country has managed to develop the Dubai financial and real-estate centres, international airline hubs in Dubai and Abu Dhabi, and sports-tourism in a number of Emirates as well as light manufacturing and transport and retail trade services. However, since June 2014, it has been affected by the plummeting of global oil prices which has resulted in a drop-in hydrocarbon exports and revenues. While it managed to sustain growth rates of 4.6% in 2014, growth in 2015 is estimated to have declined to 3.4%.

Fiscal and external balances are deteriorating and macro-financial risks are increasing. A drop-in hydrocarbon revenues coupled with expansionary fiscal policy has pushed the fiscal balance down from a surplus of 10.4% of GDP in 2013 to a 5% surplus in 2014 and to an estimated deficit of -4.3% of GDP by end-2015. The fiscal deficit of 2015 is the first since the financial crisis of 2009 when the real estate bubble in Dubai burst. The current

account surplus fell from 18.4% of GDP in 2013 to 13.7% of GDP in 2014 and to a mere 0.2% of GDP by end-2015.

Monetary policy is tightening, as is liquidity in the banking system. The Central Bank raised the interest rate on its certificates of deposit by 25 basis points in December 2015 in response to the United States' Federal Reserve rate increase. It is expected to continue mirroring the Fed's interest rate hikes. At the same time, reduced government deposits are resulting in reduced liquidity in the banking sector.

The growth outlook is one of slow recovery, averaging 2.5 % between 2016 and 2018. Oil production will increase as a result of investment in oilfield development. Non-hydrocarbon growth will rise as megaproject implementation ramps up ahead of Dubai's hosting of Expo 2020, and as the lifting of sanctions on Iran translates into increased commerce, trade, and investment between Iran and the UAE (particularly Dubai). These developments will jointly help to narrow the current account deficit from an estimated deficit of -1.7% of GDP in 2016 to a forecasted deficit of -0.2% of GDP in 2018.

Fiscal policy will continue to tighten, but ensuring fiscal sustainability will require additional policy measures to cut spending, develop new revenue streams, and manage fiscal risks. The UAE government has reported that it will be implementing a value-added tax (VAT) at the latest by 2018, along with other GCC countries. It is also considering the introduction of a corporate tax. This will help improve the fiscal balance. Other consolidation measures are needed, including a reduction in electricity and water subsidies and a gradual slowdown in the implementation of GRE's (Government Related Entities) megaprojects.

Key Economic Indicators	2014	2015	2016*	2017*
Real GDP Growth (%)	4.6	3.4	2.0	2.4
Inflation Rate (%)	2.3	4.1	3.1	3.4
Fiscal Balance (% of GDP)	5.0	-4.3	-5.2	-2.1
Current Account Balance (% of GDP)	13.7	0.2	-1.7	-0.4

* forecast

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.57
UK Pound	1	INR 90.12
Euro	1	INR 80.22
UAE Dh	1	INR 19.43

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

INFORMATION DETAILS

Analysis Done by :	VIVR
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)