

MIRA INFORM REPORT

Report No. :	545283
Report Date :	19.12.2018

IDENTIFICATION DETAILS

Name :	VARUN TRADING COMPANY DMCC
Registered Office :	AG (Silver) Tower, Unit No. AG31 I, Plot No:JLT-PH1-I1A, Jumeirah Lakes Towers (JLT), PO Box: 57648, Dubai
Country :	United Arab Emirates
Financials (as on) :	31.12.2017
Date of Incorporation :	07.06.2007
Com. Reg. No.:	DMCC-3071
Legal Form :	DMCC Free Zone - Limited Liability Company
Line of Business :	<ul style="list-style-type: none"> • Wholesale of watches and jewellery • Importers, wholesalers and retailers of rough and polished diamonds as well as diamonds gold jewellery.
No. of Employees :	3 [2018]

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 : infodept@mirainform.com 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

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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	Varun Trading Company DMCC			
ADDRESS	Building	Area	Town	PO Box
	AG (Silver)	Plot No:JLT-PH1-I1A,	Dubai	57648
	Tower, Unit No.	Jumeirah Lakes		Dubai
	AG31	Towers (JLT)		
PHONE	Verified Phones: (+971 4) 425 3526 / (+971 52) 840 2996			
EMAIL/WEBSITE	Email: varundmcc@yahoo.com / Website: N/A			
ACTIVITY	NACE 4648 - Wholesale of watches and jewellery;			
PRINCIPAL	Rajesh Ratilal Shah		Workforce	
	Managing Director		3	
LEGAL INFO	Date Of Est.	Reg. No.	Legal Form	Status
	07/06/2007	DMCC-3071	DMCC Free Zone - Limited Liability Company	Active
CAPITAL	CURRENCY	AMOUNT		
	AED	200,000		

IDENTIFICATION

CO. NAME	Varun Trading Company DMCC		
BUILDING	AG (Silver) Tower, Unit No. AG31 I		
AREA	Plot No:JLT-PH1-I1A, Jumeirah Lakes Towers (JLT)		
POSTAL ADDRESS	57648 Dubai		
TOWN	Dubai		
COUNTRY	United Arab Emirates		
PHONE	(+971 4) 425 3526 / (+971 52) 840 2996		
VERIFIED EMAIL	varundmcc@yahoo.com		
BUSINESS HOURS	DAYS	OFFICE HOURS	BREAK TIME
	Sun-Thu	09:00-18:30	13:00-14:00
REGISTERED ADDRESS	AG (Silver) Tower, Unit No. AG31 I Plot No:JLT-PH1-I1A, Jumeirah Lakes Towers (JLT) PO Box: 57648 Dubai United Arab Emirates		

SENIOR PERSONNEL

MANAGEMENT	NAME	POSITION
------------	------	----------

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

WORKFORCE	Rajesh Ratilal Shah NO. OF EMPLOYEES 3	Managing Director PERIOD 12.2018
------------------	---	---

FINANCIAL SUMMARY

TURNOVER	31/12/2017 AED 24,000,000	30/09/2018 (Quarterly Results) AED 15,000,000
NET PROFIT / (LOSS)	Not given but stated to be 5-10% of the sales	
TURNOVER (PROJECTED)	AED 30,000,000 – 2018	
NOTES	Historical financial highlights: Sales turnover : AED 25,000,000 - 2015 : AED 27,000,000 – 2016	
FISCAL YEAR-END	Financial year ends 31 December. 31 December.	

LEGAL STATUS

INCORPORATION REGISTRATION NO.	07/06/2007 LICENSE NUMBER Trade License No.: DMCC-3071 (expiry date: 06/06/2019)	ISSUED BY Dubai Multi Commodities Centre
OTHER REGISTRATION NO.	DCCI Membership No.: 167669 (issue date: 16 February 2009)	
AUTHORISED CAPITAL	AMOUNT 200,000	CURRENCY AED
PAID-UP CAPITAL	AMOUNT 200,000	CURRENCY AED
BUSINESS HISTORY	The Company was incorporated in Dubai Multi Commodities Centre on 7 June 2007 with Mr. Rajesh Ratilal Shah as a sole shareholder. In 2018, subject's shareholding structure changed to the present.	
LEGAL FORM STATUS	DMCC Free Zone - Limited Liability Company Active	
SHAREHOLDERS	NAME	PERCENTAGE
	1. Rajesh Ratilal Shah Nationality: Indian	70.00%
	2. Pierre Andre Hvanderval Nationality: Belgian	30.00%

* Dubai Multi Commodities Centre (DMCC) is a free

zone authority
offering 100% business ownership, a guaranteed 50
year tax holiday
and freehold property options. Entities licensed by
DMCC (Free Zone Establishment or Free Zone
Companies / LLC) are not required to have a local
sponsor. Minimum capital requirement is Dh 200,000.

DMCC is a strategic initiative of the Dubai government
created to
establish a commodity market place in Dubai. It
provides industry
specific market infrastructure and a range of facilities
for the gold
& precious metals, diamonds & coloured stones,
energy and other
commodities industries.

OPERATION

BANKERS

1. RAK Bank (National Bank Of Ras Al Khaimah)
Al Maktoum Street
P.O. Box : 1531
Dubai
Telephone: (+971 4) 224 8000
Fax : (+971 4) 228 1312

2. Bank of Baroda
Ali Bin Abu Talib Street
PO Box 3162
Dubai
Telephone: (+971 4) 353 1628
Fax : (+971 4) 353 0839

ACTIVITY CODE (NACE)

4648 - Wholesale of watches and jewellery;

LINE OF BUSINESS

Importers, wholesalers and retailers of rough and polished diamonds as
well as diamonds gold jewellery.

IMPORT FROM

Belgium, Russia, India and Africa.

EXPORT TO

Belgium, USA, India and Turkey.

FACILITIES

Leased premises comprising administrative offices located at the heading
address.

ADDITIONAL INFORMATION

DIAMOND UNITS TO RESUME PRODUCTION

13 July 2009, (Emirates 24/7): Major Indian diamond traders in the UAE
expect the market for diamond jewellery to revive after September, based
on which partially closed jewellery manufacturing units will resume
production early next year.

The UAE outlets of Indian diamond firms are planning to recall some of their employees sent back to India on long leave. Speaking to Emirates Business, Rajesh Shah, Director, Varun Trading Company DMCC, said: "Less than 20 per cent of the Indian-owned diamond factories in the UAE are working to full capacity. Many companies had to send back employees to India because of the slow demand for diamond jewellery and substantial production cuts. Companies needed to repatriate workers back to India because Dubai is an expensive city and keeping workers idle here is very costly."

Varun Trading is a leading manufacturer and wholesaler of diamond jewellery, custom-made jewellery and certified stones, and employed about 500 people before the economic crisis. The company, along with other big Indian names, is now preparing to call their workers back to Dubai.

Shah said about 150 diamond jewellery units in different Dubai free zones and other jewellery production centres reduced staff or sent them on long leaves. All major Indian diamond jewellery chains have set up local factories and shops to make diamond jewellery for the local market.

He said some of the factories are preparing to resume production in full swing from 2010 if tourist arrivals to the UAE improve after September. The local marriage season and low hotel rates are also likely to cause a revival in demand for diamond jewellery.

While some diamond jewellery is imported into the UAE from India, Singapore and Hong Kong, most retailers manufacture at least a part of their range locally. The retrenchment and laying-off reached its peak in January, when the global financial crisis hit diamond jewellery sales all over the world.

Vishal Diamonds, Varun Trading's diamond-retailing arm in Mumbai, employs many workers.

Many Indian diamond companies have shifted their overseas base from Antwerp to Dubai due to the friendly business atmosphere and tax benefits here.

The demand for gold jewellery is picking up, with many families going home on vacation buying jewellery. However, the demand for diamonds is yet to improve and sales largely depend on tourist arrivals, Shah said.

In India, the main diamond cutting and polishing centres have witnessed a sharp increase in the numbers of suicides following large-scale layoffs. Factories in the city of Surat in Gujarat state reportedly saw more than 70 suicides by diamond polishers, after they were laid off by companies following the sharp fall in demand in the United States and other export

markets.

"Only 20 per cent of the diamond units in India are currently working and the diamond polishers have migrated to other businesses and agriculture. Many diamond exporters to the US were closed because of defaults in payment from US customers. Many small diamond units have closed down, leaving 100,000 workers jobless across India," Shah said. India processes seven out of 10 diamonds manufactured in the world.

Karan Mehta from Naqshi Diamond LLC Dubai, a major diamond jewellery manufacture and exporter, said demand for diamonds has been among the slowest in decades due to the economic crisis.

"Due to the summer and the forthcoming Ramadan season, sales have been very slow. In India, many diamond units that had stopped production are now gradually resuming operations. Many companies both here and in India have reduced staff and become leaner because of dull business."

He, too, said the revival of the diamond jewellery business is expected after September.

Elizbeth Christy, Marketing Manager, International Gemological Institute, an Antwerp-based diamond certification company, said: "We have seen between a 20 to 30 per cent fall in diamond jewellery sales and a shift from loose diamonds to diamond jewellery.

"People who are buying diamond jewellery are making planned purchases and take their own certification. It is useful for insuring the jewellery and also when they sell the diamonds."

She said the lab has been affected by the slowdown in the diamond business, which is a global phenomenon.

PAYMENT RECORDS

CREDIT OPINION

We consider it is acceptable to deal with subject

SPECIAL REMARKS

INTERVIEWED

Rajesh Ratilal Shah (Managing Director).

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.19
UK Pound	1	INR 89.88
Euro	1	INR 80.76
UAE Dh	1	INR 19.14

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	SYL

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

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)