

## MIRA INFORM REPORT

Report No. :	520303
Report Date :	16.07.2018

### IDENTIFICATION DETAILS

Name :	FIVE STAR DIAMONDS LLC
Registered Office :	208 Al Fajer Building, Al Ras, Deira, PO Box 41385, Dubai
Country :	United Arab Emirates
Financials (as on) :	31.12.2017
Date of Incorporation :	30.08.2000
Com. Reg. No.:	55162, Dubai
Legal Form :	Limited Liability Company – LLC
Line of Business :	Subject is engaged in the import and distribution of GIA and HRD certified diamond, jewellery, watches and precious stones.
No. of Employees :	4

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> 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](mailto:infodept@mirainform.com) while quoting report number, name and date.

**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.

**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 has announced plans to introduce excise and value-added taxes by January 1, 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	: FIVE STAR DIAMONDS LLC
Country of Origin	: Dubai, United Arab Emirates
Legal Form	: Limited Liability Company - LLC
Registration Date	: 30 <sup>th</sup> August 2000
Commercial Registration Number	: 55162, Dubai
Trade Licence Number	: 520768
Chamber Membership Number	: 60113
Issued Capital	: UAE Dh 300,000
Paid up Capital	: UAE Dh 300,000
Total Workforce	: 4
Activities	: Distributors of jewellery, watches and precious stones
Financial Condition	: Fair
Payments	: Slow but correct
Operating Trend	: Steady
Person Interviewed	: Khadela Jagdish Kumar, Managing Director

## **COMPANY NAME**

FIVE STAR DIAMONDS LLC

## **ADDRESS**

### **Registered & Physical Address**

Building : 208 Al Fajer Building  
Area : Al Ras, Deira  
PO Box : 41385  
Town : Dubai  
Country : United Arab Emirates  
Telephone : (971-4) 2269331  
Facsimile : (971-4) 2269332  
Mobile : (971-50) 5524437 / (971-55) 7766031 / 2386009  
Email : [dwarkanesh83@hotmail.com](mailto:dwarkanesh83@hotmail.com) / [info@fivestardiamondllc.com](mailto:info@fivestardiamondllc.com)

Please note that subject's previous address was, Moram Building, 1<sup>st</sup> Floor, Suite No. 4, Al Ras Street, Gold Souq, Deira, Dubai.

### **Premises**

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

## **KEY PRINCIPALS**

<u>Name</u>	<u>Nationality</u>	<u>Position</u>
Khadela Jagdish Kumar	Indian	Managing Director
Mohamed Rashid Mohamed Alabdouli	Emirati	Director
Vipol Jibraj	-	Sales Manager

## **LEGAL FORM & OWNERS**

**Date of Establishment** : 30<sup>th</sup> August 2000

**Legal Form** : Limited Liability Company - LLC

**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.

**Commercial Reg. No.** : 55162, Dubai

**Trade Licence No.** : 520768 (Expires 28/08/2018)

**Chamber Member No.** : 60113

**Issued Capital** : UAE Dh 300,000

**Paid up Capital** : UAE Dh 300,000

<b>Name of Shareholder (s)</b>	<b>Percentage</b>
Mohamed Rashid Mohamed Alabdouli	51%
Khadela Jagdish Kumar	49%

**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.

## **OPERATIONS**

**Activities:** Engaged in the import and distribution of GIA and HRD certified diamond, jewellery, watches and precious stones.

**Import Countries:** Europe and the Far East

### **International Suppliers:**

Tatson Diamonds	India
Bhawan Gems	India
Ankit Gems	India
Venus Jewels	India

**Operating Trend:** Steady

Subject has a workforce of 4 employees.

## **FINANCIAL DATA**

Financial highlights provided by local sources are given below:

Currency: United Arab Emirates Dirham (UAE Dh)

Year	Sales
Year Ending 31/12/15:	UAE Dh 11,300,000
Year Ending 31/12/16:	UAE Dh 10,825,000
Year Ending 31/12/17:	UAE Dh 12,000,000

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

**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**

Commercial Bank of Dubai  
Baniyas Street  
Deira  
PO Box: 1709  
Dubai  
Tel: (971-4) 2227121 / 2253222  
Fax: (971-4) 2220943 / 2254565

## **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

**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.

- Interview with Khadela Jagdish Kumar, Managing Director

Established in 2000, subject is owned and managed by Mr Khadela Jagdish Kumar, an Indian national who operates in Dubai under the local sponsorship of Mr Mohamed Rashid Mohamed Alabdouli.

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.

Local sources report that the subject's operating history is clear with payment obligations met in a generally timely manner. The financial position is satisfactory and the company is deemed 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.

<b>Key Economic Indicators</b>	<b>2014</b>	<b>2015</b>	<b>2016*</b>	<b>2017*</b>
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 68.41
UK Pound	1	INR 90.07
Euro	1	INR 79.76
UAE Dh	1	INR 18.67

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRA
<b>Report Prepared by :</b>	KET

**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)

**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.