

## MIRA INFORM REPORT

Report No. :	520449
Report Date :	23.07.2018

### INQUIRY DETAILS

Given Name :	ROYALTY TRADING LLC
Given Address :	P O Box NO. 45526, Dubai, United Arab Emirates

### IDENTIFICATION DETAILS

Name :	ROYALTY TRADING LLC
Registered Office :	Mohammed Capital Bldg., Shop No. 10 & 11, Bur Dubai, PO Box: 45526, Dubai
Country :	United Arab Emirates
Financials (as on) :	31.12.2017
Date of Incorporation :	05.08.2000
Com. Reg. No.:	520327
Legal Form :	Limited Liability Company
Line of Business :	Trading as importers, wholesalers and distributors of textile products.
No. of Employees :	16 [2018]

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints

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<b>Litigation :</b>	Clear
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**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.

**ECGC Country Risk Classification List**

<b>Country Name</b>	<b>Previous Rating (31.12.2017)</b>	<b>Current Rating (01.04.2018)</b>
United Arab Emirates	A2	A2

<b>Risk Category</b>	<b>ECGC Classification</b>
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**

<b>COMPANY NAME</b>	ROYALTY TRADING LLC			
<b>ADDRESS</b>	Building	Street	Area	PO Box
	Mohammed Capital Bldg., Shop No. 10 & 11	Al Fahidi Street	Al Souq Al Kabeer, behind Sun City Hotel, Near Dubai Museum	45526 & 12639 Dubai
<b>TEL/FAX</b>	Verified Phones: (+971 4) 353 6524 / (+971 50) 622 6049 / Fax: (+971 4) 353 6259			
<b>EMAIL/WEBSITE</b>	Email: royaltytrading@yahoo.com / Website: N/A			
<b>ACTIVITY</b>	NACE 4616 - Agents involved in the sale of textiles, clothing, fur, footwear and leather goods; NACE 4641 - Wholesale of textiles;			
<b>PRINCIPAL</b>	Ashok Bhojwani Chairman			Workforce 16
<b>LEGAL INFO</b>	Date Of Est.	Reg. No.	Legal Form	Status
	05/08/2000	520327	LLC	Active
<b>CAPITAL</b>	<b>CURRENCY</b>	<b>AMOUNT</b>		
	AED	300,000		

## **IDENTIFICATION**

<b>CO. NAME</b>	ROYALTY TRADING LLC		
<b>BUILDING</b>	Mohammed Capital Bldg., Shop No. 10 & 11		
<b>STREET</b>	Al Fahidi Street		
<b>AREA</b>	Al Souq Al Kabeer, behind Sun City Hotel, Near Dubai Museum		
<b>POSTAL ADDRESS</b>	45526 & 12639 Dubai		
<b>CITY</b>	Dubai		
<b>COUNTRY</b>	United Arab Emirates		
<b>TELEPHONE</b>	(+971 4) 353 6524 / Mobiles (+971 50) 622 6049 / (+971 55) 264 0611		
<b>FAX</b>	(+971 4) 353 6259		
<b>VERIFIED EMAIL</b>	royaltytrading@yahoo.com / lalwani@emirates.net.ae		
<b>BUSINESS HOURS</b>	<b>DAYS</b>	<b>OFFICE HOURS</b>	<b>BREAK TIME</b>
	Sun-Thu	09:00-21:00	14:00-16:00
<b>REGISTERED ADDRESS</b>	Mohammed Capital Bldg., Shop No. 10 & 11 Bur Dubai PO Box: 45526 Dubai		

## **SENIOR PERSONNEL**

MANAGEMENT	NAME	POSITION
	Ashok Bhojwani	Managing Director
	Bhagwan Lalwani	Director
WORKFORCE	NO. OF EMPLOYEES	PERIOD
	Mitesh Devnani 16	Accountant 07.2018

## **FINANCIAL SUMMARY**

TURNOVER	31/12/2017 AED 15,000,000	31/12/2016 AED 26,000,000
NET PROFIT / (LOSS)	31/12/2017 AED 3,500,000	31/12/2016 AED 4,000,000
TURNOVER (PROJECTED)	AED 15,000,000 – 2018 *	

\* Projected decrease in sales turnover in 2018 is due to unfavourable market conditions.

STOCK/INVENTORIES	AED 3,000,000 as of July 2018
FISCAL YEAR-END	31 December.

## **LEGAL STATUS**

INCORPORATION	05/08/2000	
REGISTRATION NO.	C.R. NUMBER Trade License No.: 520327 (expiry date: 04/08/2018)	ISSUED BY Dubai Department of Economic Development
OTHER REGISTRATION NO.	DCCI Membership No.: 59839 / Registration No.: 55054	
AUTHORISED CAPITAL	AMOUNT 300,000	CURRENCY AED
PAID-UP CAPITAL	AMOUNT 300,000	CURRENCY AED
BUSINESS HISTORY	The Company was incorporated in Dubai on 5 August 2000.	
LEGAL FORM	Limited Liability Company	
STATUS	Active	
SHAREHOLDERS	NAME	PERCENTAGE
	1. Bhagwan Lalwani	18.00%

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Nationality: Indian	
2. Ashok Bhojwani Nationality: Indian	16.00%
3. Amrut Lal Kotadia Nationality: Indian	15.00%
4. Abdul Salam Ibrahim Mohammed Hussain	51.00%

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

## **OPERATION**

### **BANKERS**

1. Emirates NBD Bank (Fmly National Bank Of Dubai)  
Baniyas Street  
PO Box: 777  
Dubai  
Telephone: (+971 4) 228 3000  
Fax : (+971 4) 353 4601

2. Bank Of Baroda  
Ali Bin Talib Street  
P.O. Box : 3162  
Dubai  
Telephone: (+971 4) 353 1955  
Fax : (+971 4) 353 6962

### **ACTIVITY CODE (NACE)**

4616 - Agents involved in the sale of textiles, clothing, fur, footwear and leather goods; 4641 - Wholesale of textiles;

### **LINE OF BUSINESS**

Trading as importers, wholesalers and distributors of textile products.

### **IMPORT FROM**

mainly from India, South Korea and Japan.

### **EXPORT TO**

GCC countries, mainly to Saudi Arabia and Kuwait.

### **FACILITIES**

Leased premises comprising administrative offices and wholesale outlet located at the heading address as well as warehousing facilities located at Textile City, Dubai.

Subject previously had warehousing facilities at Al Quoz Industrial

Area, Dubai.

## **PAYMENT RECORDS**

**CREDIT OPINION**

We consider it is acceptable to deal with subject

## **SPECIAL REMARKS**

**INTERVIEWED**

Mitesh Devnani (Accountant).

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.85
UK Pound	1	INR 89.67
Euro	1	INR 80.31
UAE Dh	1	INR 18.71

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIY
<b>Report Prepared by :</b>	SYL

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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)