

MIRA INFORM REPORT

Report No. :	538009
Report Date :	01.11.2018

IDENTIFICATION DETAILS

Name :	FUJAIRAH GOLD FZC
Registered Office :	Fujairah Free Zone 2, PO Box:3992, Fujairah
Country :	United Arab Emirates
Financials (as on) :	31.12.2017
Date of Incorporation :	01.07.2009
Legal Form :	Free Zone Company - FZC
Line of Business :	Subject is engaged in the manufacture of gold, silver and copper rods, silver granules, copper cathode and copper cast bars
No. of Employees :	75

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd 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 :	Good
Payment Behaviour :	No Complaints
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 (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

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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	: FUJAIRAH GOLD FZE
Country of Origin	: Fujairah, United Arab Emirates
Legal Form	: Free Zone Company - FZC
Registration Date	: 1st July 2009
Trade Licence Number	: 2019
Issued Capital	: UAE Dh 68,360,000
Paid up Capital	: UAE Dh 68,360,000
Total Workforce	: 75
Activities	: Manufacture of gold, silver and copper rods, copper cathode and copper cast bars
Financial Condition	: Good
Payments	: No complaints
Person Interviewed	: Pranav Kumar, Financial Controller

COMPANY NAME

FUJAIRAH GOLD FZC

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Location : Fujairah Free Zone 2
PO Box : 3992
Town : Fujairah
Country : United Arab Emirates
Telephone : (971-9) 2282454 / 2282166 (Ext 121) / 2282414
Facsimile : (971-9) 2282533
Mobile : (971-55) 6680403 / 8898573 / 3259154 / 2277917 / (971-56) 1258968 / 4597399 / (971-52) 4503466
Email : tarundeep.arora@fujairahgold.com

Premises

Subject operates from a medium sized suite of offices and a factory that are rented and located in the Fujairah Free Zone.

KEY PRINCIPALS

<u>Name</u>	<u>Nationality</u>	<u>Position</u>
• Agnivesh Agrawal	Indian	Managing Director
• Waheed Rehman	-	Operations Manager
• Pranav Kumar	-	Financial Controller
• Barun Mehta	-	Finance Manager
• Sanjay Pandit	-	Accounting Manager
• Chinmoy Maulick	-	Marketing Manager
• Bibe Kanada Challeng	-	Sales Manager

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- Amish Aggarwal - Copper Marketing Manager
- Praveen Rai - Precious Metals Marketing Manager

LEGAL FORM & OWNERS

Date of Establishment : 1st July 2009

Legal Form : Free Zone Company - FZC

Trade Licence No. : 2019

Issued Capital : UAE Dh 68,360,000

Paid up Capital : UAE Dh 68,360,000

<i>Name of Shareholder (s)</i>	<i>Percentage</i>
• Vendanta Resources Plc United Kingdom	100%

OPERATIONS

Activities: Engaged in the manufacture of gold, silver and copper rods, silver granules, copper cathode and copper cast bars.

Subject has a production capacity of 50 MT/Annum for Gold and 110 MT/Annum for Silver in UAE. In May 2010 the company commissioned its Copper division with a state of art 100,000 MT/Annum, Continuous Cast Copper Wire Rod plant in the same premises.

Import Countries: United States of America

Subject has a workforce of 75 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: United Arab Emirates Dirham (UAE Dh)

Year Ending 31/12/17:

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Total Sales UAE Dh 3,426,310,000

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

The above figures were provided by Pranav Kumar, Financial Controller

BANKERS

- National Bank of Fujairah
PO Box: 887
Fujairah
Tel: (971-9) 2224518 / 2224513
Fax: (971-9) 2224516 / 2229470
- Standard Chartered Bank
Khalid Bin Waleed Street
PO Box: 999
Dubai
Tel: (971-4) 2520455
IBAN No. AE330440000101673267401

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

GENERAL COMMENTS

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.

According to local sources, subject meets its payment obligations in a timely manner and the company is considered to be a fair trade risk.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.99
UK Pound	1	INR 94.10
Euro	1	INR 83.92
UAE Dh	1	INR 19.98

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)