

MIRA INFORM REPORT

Report No. :	541747
Report Date :	23.11.2018

IDENTIFICATION DETAILS

Name :	K.H.K SCAFFOLDING & FORMWORK LLC
Registered Office :	Land No. 149, Ajman Industrial 1, PO Box: 2701, Ajman
Country :	United Arab Emirates
Financials (as on) :	30.06.2018
Date of Incorporation :	11.12.1994
Com. Reg. No.:	22320
Legal Form :	Limited Liability Company
Line of Business :	<ul style="list-style-type: none"> • Manufacture of tubes, pipes, hollow profiles and related fittings, of steel • Manufacturers, distributors and exporters of scaffolding and form work products.
No. of Employees :	1,100 [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 :	Good
Payment Behaviour :	Regular
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

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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	K.H.K Scaffolding & Formwork LLC			
ADDRESS	Building Land No. 149	Area Ajman Industrial Area 1, Near Baldia & Darmix Roundabout	Town Ajman	PO Box 2701 Ajman
TEL/FAX	Verified Phones: (+971 6) 743 9013 / Fax: (+971 6) 743 9017			
EMAIL/WEBSITE	Email: frederic@khk-scaffolding.com / Website: www.khk-scaffolding.com			
ACTIVITY	NACE 2420 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel;			
PRINCIPAL	Arjan Dolumal Taurani Chairman		Workforce 1,100	
LEGAL INFO	Date Of Est. 11/12/1994	Reg. No. 22320	Legal Form LLC	Status Active
CAPITAL	CURRENCY AED		AMOUNT 300,000	

IDENTIFICATION

CO. NAME	K.H.K Scaffolding & Formwork LLC		
ALSO KNOWN NAME (S)	K.H.K SCAFFOLDING & FORM WORK LTD / KHK SCAFFOLDING AND FORMWORKS LLC		
BUILDING	Land No. 149		
AREA	Ajman Industrial Area 1, Near Baldia & Darmix Roundabout		
POSTAL ADDRESS	2701 Ajman		
TOWN	Ajman		
COUNTRY	United Arab Emirates		
TELEPHONE	(+971 6) 743 9013 / Mobiles (971 50) 346 1900 (Mervyn D'Cunha) / (971 50) 631 6971 (A.N. Hegde)		
FAX	(+971 6) 743 9017		
VERIFIED EMAIL	frederic@khk-scaffolding.com / mervyn@khk-scaffolding.com		
WEBSITE	www.khk-scaffolding.com		
BUSINESS HOURS	DAYS Sun-Thu	OFFICE HOURS 08:00-19:00	BREAK TIME 13:30-15:30
REGISTERED ADDRESS	Land No. 149, Ajman Industrial 1 PO Box: 2701 Ajman United Arab Emirates		

SENIOR PERSONNEL

MANAGEMENT	NAME	POSITION
	Arjan Dolumal Taurani	Chairman
	Anil Munish Kumar Arjan Taurani	Managing Director
	Mirza Nadeem Baig	General Manager
	Mervyn D'Cunha	Finance Controller & Internal Auditor
	A.N. Hegde	Accounts Manager
	Frederic Edwin	Accountant
WORKFORCE	NO. OF EMPLOYEES	PERIOD
	1,100	09.2018
	2,500 plus (group)	01.2018

FINANCIAL SUMMARY

TURNOVER	30/06/2018	30/06/2017
	AED 495,000,000	AED 450,000,000
NET PROFIT / (LOSS)	Not given but stated to be profitable	
STOCK/INVENTORIES	AED 80,000,000 as of September 2018	
NOTES	Historical Profit & Loss Account:	
	Sales Turnover : AED 130,000,000 - 2004	
	: AED 150,000,000 - 2005	
	: AED 200,000,000 - 2006	
	: AED 250,000,000 - 2007	
	: AED 400,000,000 - 2008	
	: AED 500,000,000 - 2009	
	: not given - 2010/2012	
	: AED 340,000,000 - 2013	
	: AED 320,000,000 - 2014	
	Net Profit : AED 1,000,000 - 2006	
	: AED 1,000,000 - 2007	
	: AED 3,000,000 - 2008	
	: not given - 2009/2014	

Financial year ends 30 June.

The following financial information applies to
Ducast Factory (L.L.C.), subject's affiliated
company:

Sales Turnover : AED 55,000,000 - 2008
: AED 60,000,000 - 2009
: AED 58,000,000 - 2010
: AED 69,000,000 - 2011
: AED 75,000,000 - 2012
: AED 75,000,000 - 2013
: AED 90,000,000 - 2014
: AED 90,000,000 - 2015
: AED 80,000,000 - 2016

Net Profit/Loss: AED (400,000) - 2008
: AED 600,000 - 2009
: AED (500,000) - 2010
: AED (400,000) - 2011
: AED (300,000) - 2012
: not given - 2013/2014
: AED 1,100,000 - 2015
: AED 650,000 - 2016

Financial year ends 30 June.

The following consolidated financial information
applies to the group (latest available):

Sales Turnover : AED 1,300,000,000 - 2009
: AED 1,100,000,000 - 2010

Net Profit : not given but stated to be
profitable

Financial year ends 30 June.
30 June.

FISCAL YEAR-END

LEGAL STATUS

**INCORPORATION
REGISTRATION NO.**

11/12/1994

LICENSE NUMBER

Trade License No.: 22320 (expiry date: 30/08/2019)

ISSUED BY

Ajman
Department of
Economic
Development

OTHER REGISTRATION NO.

C.R. No.: 9570 / Municipality No.: 1179

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K.H.K SCAFFOLDING & FORMWORK LLC - 541747

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AUTHORISED CAPITAL	AMOUNT 300,000	CURRENCY AED
PAID-UP CAPITAL	AMOUNT 300,000	CURRENCY AED
BUSINESS HISTORY	The Subject Company was established in Ajman on 11 December 1994 with the following shareholding structure:	
	1. Arjan Dolumal Taurani - 26% (Indian national / Date of Birth: 02/02/1936)	
	2. Anil Munish Kumar Arjan Taurani - 23% (Indian national / Born in 1968)	
	3. Ali Abdullah Al Hamrani * - 51% (UAE national)	
LEGAL FORM	In 2012, subject's shareholding structure changed to the present.	
STATUS	Limited Liability Company	
SHAREHOLDERS	NAME	PERCENTAGE
	1. Taurani Holdings Limited Bahamas Est: 30 June 1995 C.R. No. : 34231B	49.00%
	2. Ali Abdullah Al Hamrani * Nationality: Emirati	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. National Bank of Fujairah Khalid Bin Waleed Street PO Box 2979 Dubai Telephone: (971 4) 397 1700 Fax : (971 4) 507 8222
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2. HSBC Bank Middle East
Main Branch
P.O. Box : 66
Dubai
Telephone: (+971 4) 228 8999
Fax : (+971 4) 227 3301

3. First Abu Dhabi Bank PJSC
P.O. Box 52053
Dubai
United Arab Emirates
Telephone: (+971 2) 681 2161

4. Abu Dhabi Commercial Bank (ADCB)
Al Rigga Road
PO Box 5550
Dubai
Telephone: (+971 4) 222 8141
Fax : (+971 4) 227 9632

Subject also has an account with Gulf International Bank B.S.C.

Subject previously had an account with:

1. Barclays Bank PLC
1st Floor, Building 4
Emaar Business Park
Sheikh Zayed Road (Interchange 5)
PO Box 1891
Dubai
Telephone: (+971 4) 362 6888
Fax : (+971 4) 366 3133

2. United Arab Bank
Al Maktoum Street
PO Box 4579
Dubai
Telephone: (+971 4) 222 0181
Fax : (+971 4) 227 4309

ACTIVITY CODE (NACE)

LINE OF BUSINESS

2420 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel;
Manufacturers, distributors and exporters of scaffolding and form work products.

Annual Production Capacity: 60,000 tonnes of scaffolding.

Subject operates through following Divisions:

- KHK Pipe Cutting Section

Pipe cutting section is equipped with several modern cold saw and rapid cutting machines, which produce cut pipes in close tolerance with high productivity rate. Cut pipes are also free from burrs, taper cuts etc.

- KHK Press Section

Press Section is equipped with different types of modern mechanical presses of 20 to 500 metric tones capacity, which are mainly used for manufacturing scaffolding accessories in combination with component drawings and strict quality control standard.

- KHK General Machine Shop

General Machine shop is equipped with latest workshop machineries like, automatic turning -cutting-threading machines, milling machines, multi-spindle Drilling machines, Boring and surface grinding machines to support other sections and maintenance team for continuous improvement.

- KHK Tool Room

Latest wire cutting machines and EDM machines are one of the best support in subject's tool room. Besides lathes, milling and jig borings are also the major features in subject's tool room. Subject have qualified tool makers and machine operators, those are involved in making and modifications of toolings, jig-fixtures for manufacturing scaffolding accessories.

- KHK Welding Section

Subject is using MIG & TIG welding system in welding scaffolding as per certified by ABS (American Bureau of Shipping). The welding wires, which are the best in brand and quality. All welders are qualified and certified by ABS

In 2003, Subject introduced welding robots in scaffolding production line to achieve higher productivity and quality.

- KHK Final Surface Coating Section

The final coating used in scaffolding are blasting, Primer and finish paints, powder coating, galvanizing, electroplating as per customer requirements that are available in house.

Two modern shot-blasting plants and two finish paint lines are continuously in operation. As powder coating as concern, KHK is the only company in UAE who powder coats scaffolding with higher

capacity of 650 frames per shift.

Paint line has been designed in such a way that, the required curing standard of surface coating of paint has been achieved during traveling between paint baths to unloading stations. Electroplating plant is equipped with fully automatic functions having the capacity of 3.0 metric tones of scaffolding accessories per shift.

- KHK Aluminium Scaffolding Fabrication Section

Subject's Aluminium fabrication is based on TIG welding. Subject have all the latest TIG welding machines and profile cutting machines involved in Aluminium fabrication. People working in the aluminium section have been well trained and dedicated in their production work.

Subject's products include:

- K-Stage Scaffolding
- K-lock Scaffolding
- K-Ring Access Scaffolding
- Special Formwork
- Wall Formwork
- Table Formwork
- Frame System (Light Duty)
- Props and Struts
- Scaffolding accessories
- Scaffolding-Rental
- Aluminium Scaffolding
- Stainless Steel-Bright

IMPORT FROM

Subject is an ISO 9001-9002 certified company. India, China, South Africa, Russia, Ukraine, UK, Belgium, Turkey and the CIS countries.

EXPORT TO

USA, UK, Australia, Canada, New Zealand, GCC and the African countries.

FACILITIES

51,000 sq. m. owned premises on leased land with a covered shed area of 14,700 sq. m. comprising administrative office and a manufacturing unit with integrated storage facilities located at the heading address.

RELATED COMPANIES

Subject is a member of the Taurani Holdings Group of Companies headed by the following company :

Taurani Holdings Limited
PO Box 5993
Dubai
United Arab Emirates
Telephone: (+971 4) 352 4790
Facsimile: (+971 4) 352 1201
Est: 30 June 1995 (in Bahamas)

C.R. No. : 34231B (in Bahamas)

Other members of the group includes the following:

1. Universal Tube And Plastic Industries
Limited
Bahamas
- Branch:
Universal Tube And Plastic Industries
Limited
Sheikh Zayed Road
Jebel Ali Free Zone (JAFZA), Between 7th &
8th Roundabout (Near Roundabout No. 7)
PO Box 16879
Dubai
United Arab Emirates
Telephone: (+971 4) 883 5966
Fax : (+971 4) 883 5675
E-Mail : utpinfo@universaltubes.com /
lovelyjohn@universaltubes.com
/ accounts2@universaltubes.com
Website : www.universaltubes.com
2. New Star Electronics Trading (L.L.C.)
PO Box 5993
Dubai
Telephone: (+971 4) 225 4820
Fax : (+971 4) 352 1201
Est: 13/02/1985
Trade License No.: 200162
PO Box 5993
Dubai
Telephone: (971 4) 225 4820
Shareholders:
- Mohamad Yousuf Ahmad Abdulla Al Hadad 51%
- Lalit Arjan Taurani 34%
- Kanhayalal Pahilajrai Pardasani 15%
3. Meva Khk Formwork Systems(L.L.C)
Dubai
Telephone: (+971 4) 3411180
Est: 23/09/2007
Trade License No.: 600942
Shareholders:
- Mohamad Yousuf Ahmad Abdulla Al Hadad 51%
- MEVA KHK Formwork Systems FZCO 49%
Jebel Ali Free Zone
PO Box 18281
Dubai

Telephone: (+971 4) 341 1180
Fax : (+971 4) 341 0660
Email : info@mevakhk-formwork.com

4. Ducast Factory (L.L.C.)
PO Box: 28480
Dubai
United Arab Emirates
Phone: (+971 4) 347 0777 ext. 307 (Accounts
Manager)
Est.: 30/05/1994
Trade License No.: 300824
5. Dayal Steel Suppliers (L.L.C)
PO Box 5993
Dubai
Telephone: (+971 4) 333 2637
Fax : (+971 4) 333 2103
Est: 01/06/1976
Trade License No.: 200263
- Ali Khamis Bilal Faraj 51%
- Veena Arjan Taurani 25%
- Arjan Dolumal Taurani 24%
6. Veena Enterprises (L.L.C)
PO Box 6017
Dubai
Telephone: (+971 4) 353 7177
Fax : (+971 4) 353 4208
E-Mail : veenaent@emirates.net.ae
Est: 06/08/1978
Trade License No.: 203547
7. Del-Ani Holdings
PO Box 17045
Dubai
Telephone: (+971 4) 341 1107
Fax : (+971 4) 341 1108
8. Universal Tyre & Retreading Systems (L.L.C)
PO Box 5993
Dubai
Telephone: (+971 4) 223 5233
Fax : (+971 4) 224 2559
Est: 14/02/1996
Trade License No.: 301119
(49% owned by Del-Ani Holdings Limited)
9. Al Khaleej Eqpt. & Indus. Supp. LLC

Al Khaleej Steel Supplier
PO Box 26665
Abu Dhabi
Telephone: (+971 4) 555 9658
Fax : (+971 4) 555 3518
Email: akiesauh@emirates.net.ae

10. Thamood Building Material Est.
Industrial Area
PO Box 80781
Al Ain
Telephone: (+971 3) 721 2879
Fax : (+971 3) 721 9896
Email: thamood@emirates.net.ae

11. A.N.A Steel Trading L.L.C
PO Box 1775
Ajman
Telephone: (+971 6) 748 0078
Fax : (+971 6) 748 0079
Email: anasteel@eim.ae

12. Al Zaher Building Material Est.
Al Nakheel
PO Box 3102
Ras Al Khaimah
Telephone: (+971 7) 228 5947
Fax : (+971 7) 228 4108
Email: zaher320@emirates.net.ae

13. UTP Pipes Australia
44-46 Gould Street
South Strathfield
NSW 2135
Australia
Telephone: (+61 29) 758 7261
Fax : (+61 29) 758 7259

14. Brisko Scaffolding Limited
120 South Lane
New Malden
Surrey KT3 5EL
England
UK
Telephone: (+44 20) 8336 4595
Fax : (+44 20) 8336 4596

15. Prime Metal Corp. USA
653 State Route 52

Walden
New York 12586
USA
Telephone: (+1 845) 778 4545
Fax : (+1 845) 778 4218

16. A-Val Metal Resources Inc.
Suite 200, Office 41
5925 Airport Road
Mississauga
Ontario L4V 1W1
Canada
Telephone: (+1 905) 405 6245
Fax : (+1 905) 672 8630

17. Gulf Building Materials
PO Box 4782
Doha
Qatar
Telephone: (+974) 460 0164
Fax : (+974) 460 6859

18. THL Tube And Pipe Industries L.L.C ()
Dubai Investments Park (DIP) 2
PO Box 49695
Dubai
United Arab Emirates
Telephone: (+971 4) 883 5966
Fax : (+971 4) 883 5675
E-Mail : utpinfo@universaltubes.com /
lovelyjohn@universaltubes.com
Website : www.universaltubes.com
C.R. No.: 1023223
Trade License No.: 606395
DCCI Membership No.: 183812

PAYMENT RECORDS

CREDIT OPINION

We consider it is acceptable to deal with subject for LARGE amounts.

SPECIAL REMARKS

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**INTERVIEWED
COMMENTS**

Frederic Edwin (Accountant).
The name which you provided: KHK SCAFFOLDING AND
FORMWORKS LLC applies to subject's also known as name. Please
note that subject's correct registered name is as per heading.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.18
UK Pound	1	INR 91.04
Euro	1	INR 81.19
UAE Dh	1	INR 19.22

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)