

MIRA INFORM REPORT

Report No. :	535836
Report Date :	25.10.2018

IDENTIFICATION DETAILS

Name :	ELECTROMECCO (LLC)
Registered Office :	Property Owned By Obaid Mohamed Al Helo, Shop No. 1, Al Muraqqabat, Deira Po Box: 7023, Dubai
Country :	United Arab Emirates
Financials (as on) :	31.12.2017
Date of Incorporation :	18.10.1979
Com. Reg. No.:	200898
Legal Form :	Limited Liability Company
Line of Business :	<ul style="list-style-type: none"> • Wholesale of electrical household appliances • Retail sale of electrical household appliances in specialised stores
No. of Employees :	60

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

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

COMPANY SUMMARY

COMPANY NAME	ELECTROMECCO (LLC)			
ADDRESS	Building	Street	Area	PO Box
	Ground Floor,	Al Boorj Street	Nasar Square,	7023
	Ahmed Baker		Deira	Dubai
	Building			
TEL/FAX	Verified Phones: (+971 4) 222 9352 / Fax: (+971 4) 222 6281			
EMAIL/WEBSITE	Email: rajiv@electromec-uae.com / Website: www.electromec-uae.com			
ACTIVITY	NACE 4643 - Wholesale of electrical household appliances; NACE 4754 - Retail sale of electrical household appliances in specialised stores;			
PRINCIPAL	Lalit Karani		Workforce	
	Chairman		60	
LEGAL INFO	Date Of Est.	Reg. No.	Legal Form	Status
	18/10/1979	200898	LLC	Active
CAPITAL	CURRENCY	AMOUNT		
	AED	2,000,000		

BUSINESS INFORMATION

IDENTIFICATION

<u>CO. NAME</u>	ELECTROMECCO (LLC)		
<u>ALSO KNOWN NAME(S)</u>	ELECTROMECCO (L.L.C) / ELECTROMECCO.		
<u>BUILDING</u>	Ground Floor, Ahmed Baker Building		
<u>STREET</u>	Al Boorj Street		
<u>AREA</u>	Nasar Square, Deira		
<u>POSTAL ADDRESS</u>	7023 Dubai		
<u>TOWN</u>	Dubai		
<u>COUNTRY</u>	United Arab Emirates		
<u>TELEPHONE</u>	(+971 4) 222 9352 / (+971 4) 222 0398 / Mobile (+971 50) 452 6398		
<u>FAX</u>	(+971 4) 222 6281		
<u>VERIFIED EMAIL</u>	rajiv@electromec-uae.com / sales@electromec-uae.com		
<u>WEBSITE</u>	www.electromec-uae.com		
<u>BUSINESS HOURS</u>	DAYS	OFFICE HOURS	BREAK TIME
	Sun-Thu	08:00-19:30	13:00-15:30
<u>REGISTERED ADDRESS</u>	Property owned by Obaid Mohamed Al Helo, Shop No. 1, Al Muraqqabat, Deira PO Box: 7023 Dubai United Arab Emirates		

SENIOR PERSONNEL

MANAGEMENT

NAME	POSITION
Lalit Karani	Chairman
Ashwin Karani	Managing Director
Rajiv Karani	Executive Director

WORKFORCE

NO. OF EMPLOYEES	PERIOD
60	10.2018

FINANCIAL SUMMARY

<u>TURNOVER</u>	31/12/2017	31/12/2018 (Projected)
	USD 40,000,000	USD 44,000,000
<u>NET PROFIT / (LOSS)</u>	Not given but stated to be profitable	
<u>FISCAL YEAR-END</u>	31 December.	

LEGAL STATUS

<u>INCORPORATION</u>	18/10/1979	
<u>REGISTRATION NO.</u>	LICENSE NUMBER Trade License No.: 200898 (expiry date: 28/12/2018)	ISSUED BY Dubai Department of Economic Development
<u>OTHER REGISTRATION NO.</u>	DCCI Membership No.: 6220 (issued on: 24/11/1979)	
<u>AUTHORISED CAPITAL</u>	AMOUNT 2,000,000	CURRENCY AED
<u>PAID-UP CAPITAL</u>	AMOUNT 2,000,000	CURRENCY AED
<u>BUSINESS HISTORY</u>	The Company was incorporated in Dubai on 18 October 1979.	
<u>LEGAL FORM</u>	Limited Liability Company	
<u>STATUS</u>	Active	
<u>SHAREHOLDERS</u>	NAME	PERCENTAGE
	1. Lalit Karani } Nationality: Indian }	
	2. Ashwin Karani } Nationality: Indian }	49.00%

- | | | |
|-----------------------------|---|--------|
| 3. Rajiv Karani | } | |
| Nationality: Indian | } | |
| 4. Ahmed Ibrahim Al Saadi * | | 51.00% |
| Nationality: Emirati | | |

* The local sponsor, according to UAE laws must hold a minimum of 51% of the capital, however, in practice and unofficially the 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 Emirates Bank International)
Baniyas Square
PO Box: 2923
Dubai
Telephone: (+971 4) 228 3101
Fax : (+971 4) 222 6773

2. Mashreq Bank
Omer Bin Al Khattab Street
PO Box 1250
Dubai
Telephone: (+971 4) 222 9131
Fax : (+971 4) 222 6061

ACTIVITY CODE (NACE)

4643 - Wholesale of electrical household appliances; 4754 - Retail sale of electrical household appliances in specialised stores;
Trading as importers, wholesalers, retailers and distributors of electrical goods, cable products and lighting equipment.

LINE OF BUSINESS

Brands: 3M, Adaptaflex, Adler, Appleton, BAND-IT, BURN, CMP, Critchley, Ducab, ELEST, Klauke, KOMPRESS, MENNEKES, Panduit, Permanoid, Prysmian, Pyrotenax, Raxton, Thorlux, Unitrunk, Wallis and Wrexham Mineral Cables.

IMPORT FROM

Europe, UK, Germany, Italy and USA.

EXPORT TO

Middle Eastern countries.

FACILITIES

Premises comprising administrative offices, a showroom and storage facilities located at the heading address as well as 2 wholesale/retail outlets located in Dubai and Abu Dhabi (see "Branch Offices" below).

BRANCH OFFICES

1. Ras Al Khor (Al Aweer) Stores
Warehouse No. 37,
Sana Street, Ras Al Khor,

ELECTROMECCO (LLC) - 535836

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Industrial Area 2
Dubai
Phone: (+971 4) 333 3163
Fax : (+971 4) 333 1295

2. Electromec (L.L.C) - Branch Of Abu Dhabi
Mussaffah Office
2nd Interchange,
16th street,
Opposite ICAD Residential,
Mussaffah
PO Box: 28718
Abu Dhabi
Est.: 04/10/1994
Trade License No.: CN-1032747
Phone: (+971 2) 557 5848

PAYMENT

CREDIT OPINION

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

SPECIAL REMARKS

INTERVIEWED

Rajiv Karani (Executive Director).

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.26
UK Pound	1	INR 95.05
Euro	1	INR 83.99
UAE DH	1	INR 19.93

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	KET

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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)