

## MIRA INFORM REPORT

Report No. :	528519
Report Date :	06.09.2018

### IDENTIFICATION DETAILS

Name :	MADHU MULTI WIRES PRODUCTS FZC
Registered Office :	RAK Free Trade Zone, P O Box: 50046, Ras Al Khaimah
Country :	United Arab Emirates
Financials (as on) :	31.12.2017
Date of Incorporation :	01.12.2004
Legal Form :	Free Zone Company - FZC
Line of Business :	Manufacture of Metal Wire.
No. of Employees :	25

### 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
Litigation :	Clear

### NOTES:

Any query related to this report can be made on e-mail: while quoting report number, name and date.

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**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 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	: MADHU MULTI WIRES PRODUCTS FZC
Country of Origin	: Ras Al Khaimah, United Arab Emirates
Legal Form	: Free Zone Company - FZC
Registration Date	: 1 <sup>st</sup> December 2004
Trade Licence Number	: 8000038
Issued Capital	: UAE Dh 2,000,000
Paid up Capital	: UAE Dh 2,000,000
Total Workforce	: 25
Activities	: Manufacturers of metal wire
Financial Condition	: Fair
Payments	: Nothing detrimental uncovered
ARIC Credit Rating	: BB
Recommended Credit Limit	: US\$ 100,000
Person Interviewed	: Pradeep Kumar Hazar, Production Manager

## **COMPANY NAME**

MADHU MULTI WIRES PRODUCTS FZC

## **ADDRESS**

### **REGISTERED & PHYSICAL ADDRESS**

Location : RAK Free Trade Zone  
PO Box : 50046  
Town : Ras Al Khaimah  
Country : United Arab Emirates  
Telephone : (971-7) 2668105  
Facsimile : (971-7) 2668106  
Mobile : (971-50) 6744938 / 6580225 / 1677247 / (971-55) 1828981  
Email : [madhumw@emirates.net.ae](mailto:madhumw@emirates.net.ae)

### **Premises**

Subject operates from a small suite of offices and a factory that are rented and located in the Free Trade Zone Area of Ras Al Khaimah.

## **KEY PRINCIPALS**

<b><u>Name</u></b>	<b><u>Nationality</u></b>	<b><u>Position</u></b>
• Madhu Agrawal	Indian	Managing Director
• Navish Gupta	Indian	Director
• Avish Gupta	Indian	Director
• Manoj Kumar NC	-	Financial Controller
• Pradeep Kumar Hazar	-	Production Manager

## **LEGAL FORM & OWNERS**

**Date of Establishment** : 1<sup>st</sup> December 2004

**Legal Form** : Free Zone Company - FZC

**Trade Licence No.** : 8000038 (Expires 07/12/2018)

**Issued Capital** : UAE Dh 2,000,000

**Paid up Capital** : UAE Dh 2,000,000

*Name of Shareholder (s)*

- Madhu Agrawal
- Navish Gupta
- Avish Gupta

## **AFFILIATED COMPANIES**

- Madhu Multi Trading LLC  
Al Musalla Tower, Office No. 1502  
Bur Dubai  
PO Box: 20395  
Dubai  
Tel: (971-4) 3547882  
Fax: (971-4) 3547883

## **OPERATIONS**

**Activities:** Engaged in the manufacture of metal wire.

Subject's products include:

Galvanized Binding Wire: 18 Gauge (1.20mm) to 20 Gauge (.90mm)  
Low Carbon Hard Drawn Wire: 0.6mm to 4.0mm  
Low Carbon Black Annealed Wire: 0.9mm to 4.0mm  
High Carbon Wire (with Carbon % of 0.65%): 1.5mm to 4.0mm  
MS Round Bards as per ASTM A 36- 2mm to 8mm.  
PVC Coated Blue Laundry Hangers  
Powder Coated Blue/White/ Gold Wire Hangers

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Safety Shoes  
Boiler Suits Full/Half Sleeves  
Coveralls with Customized Logos  
Spectacles - Clear, Grey, Green  
Goggles – Anti-fog & Dust  
Gloves  
Traffic Cones  
Reflective Jackets  
Warning Tapes/Lights  
First Aid Kits

**Annual Production Capacity:** 6,000 metric tonnes

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

**Local Suppliers:**

- Emirate Steel Abu Dhabi
- Qatar Steel Dubai
- Al Jaber Group Abu Dhabi
- Union Industries Dubai
- Sharjah Technical Supplies Sharjah

**Export Countries:** Bahrain, Oman, and Qatar

Subject has a workforce of 25 employees.

## **FINANCIAL DATA**

Financial highlights provided by local sources are given below:

Currency: United Arab Emirates Dirham (UAE Dh)

	Year Ending 31/12/16:	Year Ending 31/12/17:
Total Sales	UAE Dh 6,000,000	UAE Dh 6,500,000

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

The above financial figures are based on estimations by our local sources.

## **BANKERS**

- Habib Bank AG Zurich  
Sheikh Zayed Road Branch  
PO Box: 888  
Dubai  
Tel: (971-4) 2221281  
Fax: (971-4) 2284631

## **PAYMENT HISTORY**

No complaints regarding subject's payments have been reported.

## **GENERAL COMMENTS**

Please note that the correct name of the subject is "Madhu Multi Wires Products FZC" and not "Madhu Multi Wires Products FZE".

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.

During the course of this investigation nothing detrimental was uncovered regarding subject's operating history or the manner in which payments are fulfilled. As such the company is considered to be a fair trade risk.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.75
UK Pound	1	INR 92.23
Euro	1	INR 83.13
UAE Dh	1	INR 19.58

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	DIV
<b>Report Prepared by :</b>	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)