

## MIRA INFORM REPORT

|                      |            |
|----------------------|------------|
| <b>Report No. :</b>  | 530445     |
| <b>Report Date :</b> | 19.09.2018 |

### IDENTIFICATION DETAILS

|                                |  |
|--------------------------------|--|
| <b>Name :</b>                  | PETROCHEM MIDDLE EAST FZE  |
| <b>Registered Office :</b>     | Plot No. B047R4, Jebel Ali Free Zone (JAFZA) PO Box: 17028 Dubai   |
| <b>Country :</b>               | United Arab Emirates   |
| <b>Financials (as on) :</b>    | 31.12.2017   |
| <b>Date of Incorporation :</b> | 20.06.1995   |
| <b>Com. Reg. No.:</b>          | 7177   |
| <b>Legal Form :</b>            | Free Zone Establishment  |
| <b>Line of Business :</b>      | <ul style="list-style-type: none"> <li>• Trading as importers and distributors of petrochemicals, related industrial and construction chemicals including chlorinated solvents, plasticizers, alcohols, captians, glycol and monomers.</li> <li>• Agents involved in the sale of fuels, ores, metals and industrial chemicals</li> <li>• Wholesale of chemical products</li> </ul> |
| <b>No. of Employees :</b>      | 110  |

### RATING & COMMENTS

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

|                        |   |
|------------------------|---|
| <b>MIRA's Rating :</b> | A |
|------------------------|---|

| Credit Rating | Explanation     | Rating Comments   |
|---------------|-----------------|---|
| A             | Acceptable Risk | Business dealings permissible with moderate risk of default |

|                            |         |
|----------------------------|---------|
| <b>Status :</b>            | Good    |
| <b>Payment Behaviour :</b> | Regular |
| <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**

| Country Name         | Previous Rating<br>(31.12.2017) | Current Rating<br>(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

|                      |  |                             |  |                                     |
|----------------------|--|-----------------------------|--|-------------------------------------|
| <b>COMPANY NAME</b>  | Petrochem Middle East FZE  |                             |  |                                     |
| <b>ADDRESS</b>       | Building<br>Petrochem<br>Building  | Street<br>Sheikh Zayed Road | Area<br>Roundabout No. 7, Plot<br>No. B047R4, Jebel Ali<br>Free Zone (JAFZA) | PO Box<br>17028 &<br>23910<br>Dubai |
| <b>TEL/FAX</b>       | Verified Phones: (+971 4) 883 9222 / Fax: (+971 4) 883 4133  |                             |  |                                     |
| <b>EMAIL/WEBSITE</b> | Email: info@petrocheme.com / Website: www.petrocheme.com   |                             |  |                                     |
| <b>ACTIVITY</b>      | NACE 4612 - Agents involved in the sale of fuels, ores, metals and industrial chemicals; NACE 4675 - Wholesale of chemical products; |                             |  |                                     |
| <b>PRINCIPAL</b>     | Yogesh Ramniklal Mehta<br>Chief Executive Officer  |                             | Workforce<br>110   |                                     |
| <b>LEGAL INFO</b>    | Date Of Est.<br>20/06/1995   | Reg. No.<br>7177            | Legal Form<br>Free Zone<br>Establishment                                     | Status<br>Active                    |
| <b>CAPITAL</b>       | <b>CURRENCY</b><br>AED   | <b>AMOUNT</b><br>9,000,000  |  |                                     |

## IDENTIFICATION

|                           |  |                                    |                                  |
|---------------------------|--|------------------------------------|----------------------------------|
| <b>CO. NAME</b>           | Petrochem Middle East FZE  |                                    |                                  |
| <b>TRADEMARK</b>          | Petrochem  |                                    |                                  |
| <b>BUILDING</b>           | Petrochem Building   |                                    |                                  |
| <b>STREET</b>             | Sheikh Zayed Road  |                                    |                                  |
| <b>AREA</b>               | Roundabout No. 7, Plot No. B047R4, Jebel Ali Free Zone (JAFZA)               |                                    |                                  |
| <b>POSTAL ADDRESS</b>     | 17028 & 23910 Dubai  |                                    |                                  |
| <b>TOWN</b>               | Dubai  |                                    |                                  |
| <b>COUNTRY</b>            | United Arab Emirates   |                                    |                                  |
| <b>TELEPHONE</b>          | (+971 4) 883 9222 / (+971 4) 417 9300  |                                    |                                  |
| <b>FAX</b>                | (+971 4) 883 4133  |                                    |                                  |
| <b>VERIFIED EMAIL</b>     | info@petrocheme.com / sales@petrocheme.com / dharmendra.gupta@petrocheme.com |                                    |                                  |
| <b>WEBSITE</b>            | www.petrocheme.com   |                                    |                                  |
| <b>BUSINESS HOURS</b>     | <b>DAYS</b><br>Sun-Thu   | <b>OFFICE HOURS</b><br>08:00-17:30 | <b>BREAK TIME</b><br>12:00-13:00 |
| <b>REGISTERED ADDRESS</b> | Plot No. B047R4, Jebel Ali Free Zone (JAFZA)<br>PO Box: 17028<br>Dubai       |                                    |                                  |
| <b>CORPORATE ADDRESS</b>  | Level 28, Jumeirah Bay X2 Tower,<br>Jumeirah Lakes Towers<br>P.O. Box: 23910 |                                    |                                  |

Dubai  
Phone: (+971 4) 417 9300

## **SENIOR PERSONNEL**

| <b>MANAGEMENT</b> | <b>NAME</b>             | <b>POSITION</b>           |
|-------------------|-------------------------|---------------------------|
|                   | Yogesh Ramniklal Mehta  | Chief Executive Officer   |
|                   | Venu Nayar              | Group Commercial Director |
|                   | Mark Hawkes             | Chief Financial Officer   |
|                   | Dharmendra Gupta        | Financial Controller      |
|                   | Mahesh Pradhan          | Sales Manager             |
|                   | Ms. Hinal Gohil         | Accountant – Payables     |
| <b>WORKFORCE</b>  | <b>NO. OF EMPLOYEES</b> | <b>PERIOD</b>             |
|                   | 110                     | 09.2018                   |
|                   | 250 (Petrochem Group)   | 01.2018                   |

## **FINANCIAL SUMMARY**

|                            |  |                               |
|----------------------------|--|-------------------------------|
| <b>TURNOVER</b>            | <b>31/12/2017 (approx)</b>                       | <b>31/12/2018 (Projected)</b> |
|                            | AED 2,300,000,000                                | AED 2,400,000,000             |
| <b>NET PROFIT / (LOSS)</b> | Not given but stated to be profitable            |                               |
| <b>NOTES</b>               | Historical Profit & Loss Account:                |                               |
|                            | Turnover : AED 1,000,000,000 - 2006              |                               |
|                            | : AED 1,400,000,000 - 2007                       |                               |
|                            | : AED 1,600,000,000 - 2008                       |                               |
|                            | Net Profit : AED 40,000,000 - 2006               |                               |
|                            | : AED 62,000,000 - 2007                          |                               |
|                            | : AED 70,000,000 - 2008                          |                               |
| <b>FISCAL YEAR-END</b>     | Financial year ends 31 December.<br>31 December. |                               |

## **LEGAL STATUS**

|  |  |   |
|--|--|---|
| <b>INCORPORATION<br/>REGISTRATION NO.</b>            | 20/06/1995<br><b>LICENSE NUMBER</b><br>Trade License No.: 7177 (expiry date: 31/03/2019)   | <b>ISSUED BY</b><br>Jebel Ali Free<br>Zone Authority<br>(JAFZA) |
| <b>OTHER REGISTRATION NO.<br/>AUTHORISED CAPITAL</b> | C.R. No.: 130 / DCCI Membership No.: 34479 (issue date: 02/07/1995)<br><b>AMOUNT</b><br>9,000,000  | <b>CURRENCY</b><br>AED  |
| <b>PAID-UP CAPITAL</b>                               | <b>AMOUNT</b><br>9,000,000   | <b>CURRENCY</b><br>AED  |
| <b>BUSINESS HISTORY</b>                              | The subject company was established in Jebel Ali Free Zone on 20 June 1995. Subject is a subsidiary of Petrochem Gulf Holdings Ltd and a member of the Petrochem Group of Companies, headquartered in Dubai, UAE, one of the largest independent chemical distributors in the Middle East and Africa with offices in Dubai, Jebel Ali, India, China, Taiwan and Singapore. |   |
| <b>LEGAL FORM<br/>STATUS</b>                         | Free Zone Establishment<br>Active  |   |
| <b>SOLE SHAREHOLDER</b>                              | <b>NAME</b><br>Petrochem Gulf Holdings Ltd<br>C/O Cox & Wilkinson, Hamilton<br>Bermuda<br>Telephone: (441) 295 4630<br>(Registered in Bermuda)<br>C.R. No.: EC20721<br>Directors :<br>- David W.A. Lubbock<br>- Yogesh R. Mehta  | <b>PERCENTAGE</b><br>100.00%                                    |

\* According to law No.9 governing the establishment of companies in the Jebel Ali Free Zone, which was introduced in early 1992 and came into force in October 1992, foreign companies are allowed to set up separate legal entities referred to as Free Zone Establishments (FZEs) and Free Zone Companies (FZCO) having all features of a Private Limited Liability Company. The FZE can be either owned by a foreign individual or a corporate body. Its liability is determined by the amount of paid-up capital, which must be at least Dh 1

million. Previously, FZEs had to be branches of a company registered in a foreign country. A FZCO legal form allows investors to establish a company in Jebel Ali Free Zone having more than one shareholders (FZE only permits one shareholder). Its minimal registered capital is Dh 500,000.

## **OPERATION**

### **BANKERS**

1. Emirates NBD  
Al Ahmadiya St, Near St George Hotel  
Dubai  
Phone: (+971 600) 540009  
Fax : (+971 4) 222 1839
2. Mashreq Bank  
Omer Bin Al Khattab Street  
PO Box 1250  
Dubai  
Telephone: (+971 4) 222 9131  
Fax : (+971 4) 222 6061
3. First Abu Dhabi Bank PJSC  
P.O. Box 52053  
Dubai  
United Arab Emirates  
Telephone: (+971 2) 681 2161
4. National Bank of Kuwait (NBK) - Dubai  
Unit 1 (Ground & Mezz)  
Latifa Tower  
Sheikh Zayed Road  
P.O Box 9293 Dubai-UAE  
Tel: (+971 4) 316 1600  
Fax: (+971 4) 388 8588

Subject previously had an account with the following banks :

1. HSBC Bank Middle East  
Jebel Ali  
PO Box: 66  
Dubai  
Telephone: (+971 4) 881 6433

Fax : (+971 4) 881 6378

2. Standard Chartered Bank  
Jebel Ali  
PO Box 16920  
Dubai  
Telephone: (+971 4) 881 6600  
Fax : (+971 4) 881 6670

3. Banque Paribas  
Khalid Bin Waleed Street  
PO Box 7233  
Dubai  
Telephone: (+971 4) 252 5929  
Fax : (+971 4) 252 1341

**ACTIVITY CODE (NACE)**

4612 - Agents involved in the sale of fuels, ores, metals and industrial chemicals; 4675 - Wholesale of chemical products;

**LINE OF BUSINESS**

Trading as importers and distributors of petrochemicals, related industrial and construction chemicals including chlorinated solvents, plasticizers, alcohols, captians, glycol and monomers.

Subject's main products include the following :

- Alcohols;
- Automotive & Performance Fluids;
- Chlorinated Solvents
- Glycols
- Esters;
- Monomers;
- Glycol Ethers / Esters;
- Aliphatic Solvents;
- Hydrocarbons;
- Ketones;
- Plasticizers;
- Ethanolamines;
- Other Chemicals.

Subject is 180 9001:2008, ISO 14001: 2004 and OHSAS 18001:2007 certified.

Subject's main partners include the following :

- Lyondellbasell;
- Shell;
- Dow;
- Evonik;
- Sipchem;
- Oxea;
- PetroSA;

|                          |   |
|--------------------------|---|
|                          | <ul style="list-style-type: none"><li>- Sabic;</li><li>- India Glycols Limited;</li><li>- Godrej;</li><li>- Petro Rabigh;</li><li>- Sartomer;</li><li>- Mitsui Chemicals;</li><li>- Arkema;</li><li>- Momentive.</li></ul>  |
| <b>IMPORT FROM</b>       | Worldwide, mainly from USA, South Africa, Sweden, UK, Egypt, India, Taiwan, South Korea, Indonesia, Singapore and Japan.  |
| <b>EXPORT TO</b>         | Worldwide, mainly to GCC and Middle Eastern Countries, Europe, Far East, India and USA.   |
| <b>FACILITIES</b>        | <p>Premises comprising administrative offices, a terminal and warehousing facilities located at the heading address as well as one administrative and sales office located elsewhere in Dubai and 4 representative offices located elsewhere in China, India, Taiwan and Singapore.</p> <p>Petrochem has built one of the most modern, state-of the-art distribution terminals in Jebel Ali. This facility includes bulk storage sea ted tanks, dedicated drum storage facilities, four fully automated drumming lines and a separate dry goods storage area.</p> |
| <b>BRANCH OFFICES</b>    | <p>Petrochem Middle East FZE (Branch)<br/>Unit No: 2801<br/>Jumeirah Bay 2<br/>Plot No: JLT-PH2-X2A<br/>Jumeirah Lakes Towers<br/>Dubai</p> <p>Until 2009 subject had a branch located in Iran:</p> <p>Building No. 25, 4th Floor<br/>Tavanir Street,<br/>Valie Asr Avenue<br/>Tehran<br/>Iran<br/>Telephone: (+98 21) 8879 2015<br/>Fax : (+98 21) 8879 2086</p>   |
| <b>RELATED COMPANIES</b> | <p>Associates</p> <p>1. Petrochem Asia Pte Ltd (Taiwan Branch) Hung<br/>Tai Center,<br/>Room A-229, 2F No. 170,<br/>Dunhua North Road<br/>Taipei City 105<br/>Taiwan (R.O.C)</p>  |

2. Petrochem  
Shanghai 2207, Eton Building  
Eton Building, 69 Dong Fang Road,  
Shanghai 068894  
China
3. Petrochem Asia Pte. Ltd.  
63, Robinson Road #07-06 Afro Asia Building  
Singapore 068894  
Singapore  
Phone: (+65) 6323 0010
4. Petrochem Middle East (India) Pvt. Ltd.  
230, Hubtown Solaris, 2nd Floor,  
N S Phadke Marg,  
Opp. Telli Gally, Andheri (East)  
Mumbai 400069  
India  
Est.: 02/08/2006  
CIN No.: U23209MH2006FTC163485

**Joint Ventures**

1. Life Chemicals Group  
27 Hegaz St. Heliopolis,  
Cairo  
Egypt  
Phone: (+20 2) 2454 9350
2. HOYER Middle East Ltd  
Saudi Arabia

**Former Associates**

1. Solventis Limited - Associated Office  
Bank Terrace  
Gomshall Lane, Shere, Guildford  
Surrey GU59HB  
UK  
Telephone : (+44 1483) 203 224
2. Solventis B.V.B.A  
SintMaartenstraat 1,  
2000 Antwerp,  
Belgium,  
Telephone : +32 3) 205 1666

## ***PAYMENT RECORDS***

**CREDIT OPINION**

We consider it is acceptable to deal with subject..

## ***SPECIAL REMARKS***

**INTERVIEWED**

Ms. Hinal Gohil (Accountant – Payables).

**FOREIGN EXCHANGE RATES**

| Currency  | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1    | INR 72.38     |
| UK Pound  | 1    | INR 95.29     |
| Euro      | 1    | INR 84.77     |
| UAE DH    | 1    | INR 19.82     |

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

**INFORMATION DETAILS**

|                      |     |
|----------------------|-----|
| Analysis Done by :   | PRA |
| 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)