

## MIRA INFORM REPORT

Report No. :	545138
Report Date :	20.12.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	RAJ CHEMICALS LIMITED
<b>Registered Office :</b>	C/o DhunSukh Management Services Ltd. 7/F., Man On Commercial Building, 12-13 Jubilee Street, Central,
<b>Country :</b>	Hong Kong
<b>Date of Incorporation :</b>	13.05.2008
<b>Com. Reg. No.:</b>	39303942
<b>Legal Form :</b>	Private Limited Liability Company
<b>Line of Business :</b>	<b>Not Available</b>  [We tried to confirm obtain the detailed activity but the same is not available from any sources]
<b>No. of Employees :</b>	<b>No employees in Hong Kong.</b>  Note: It is to be noted that the company does not have its own operating office in Hong Kong. The company uses the address of its secretariat as its correspondence address only. Subject operates from some other country and does not have a base in Hong Kong. Such companies are registered in Hong Kong just to tax benefit purpose and due to the strict privacy laws prevailing in the country. In such cases, the companies are not required to have any employees in Hong Kong nor do have an office there.

### RATING & COMMENTS

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

**MIRA's Rating :** C

Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

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<b>Status :</b>	No operating office in Hong Kong
<b>Payment Behaviour :</b>	Unknown
<b>Litigation :</b>	Clear

**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 (30.06.2018)	Current Rating (30.09.2018)
Hong Kong	A1	A1

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

### HONG KONG - ECONOMIC OVERVIEW

Hong Kong has a free market economy, highly dependent on international trade and finance - the value of goods and services trade, including the sizable share of reexports, is about four times GDP. Hong Kong has no tariffs on imported goods, and it levies excise duties on only four commodities, whether imported or produced locally: hard alcohol, tobacco, oil, and methyl alcohol. There are no quotas or dumping laws. Hong Kong continues to link its currency closely to the US dollar, maintaining an arrangement established in 1983.

Excess liquidity, low interest rates and a tight housing supply have caused Hong Kong property prices to rise rapidly. The lower and middle-income segments of the population increasingly find housing unaffordable.

Hong Kong's open economy has left it exposed to the global economic situation. Its continued reliance on foreign trade and investment makes it vulnerable to renewed global financial market volatility or a slowdown in the global economy.

Mainland China has long been Hong Kong's largest trading partner, accounting for about half of Hong Kong's total trade by value. Hong Kong's natural resources are limited, and food and raw materials must be imported. As a result of China's easing of travel restrictions, the number of mainland tourists to the territory surged from 4.5 million in 2001 to 47.3 million in 2014, outnumbering visitors from all other countries combined. After peaking in 2014, overall tourist arrivals dropped 2.5% in 2015 and 4.5% in 2016. The tourism sector rebounded in 2017, with visitor arrivals rising 3.2% to 58.47 million. Travelers from Mainland China totaled 44.45 million, accounting for 76% of the total.

The Hong Kong Government is promoting the Special Administrative Region (SAR) as the preferred business hub for renminbi (RMB) internationalization. Hong Kong residents are allowed to establish RMB-denominated savings accounts, RMB-denominated corporate and Chinese government bonds have been issued in Hong Kong, RMB trade settlement is allowed, and investment schemes such as the Renminbi Qualified Foreign Institutional Investor (RQFII) Program was first launched in Hong Kong. Offshore RMB activities experienced a setback, however, after the People's Bank of China changed the way it set the central parity rate in August 2015. RMB deposits in Hong Kong fell from 1.0 trillion RMB at the end of 2014 to 559 billion RMB at the end of 2017, while RMB trade settlement handled by banks in Hong Kong also shrank from 6.8 trillion RMB in 2015 to 3.9 trillion RMB in 2017.

Hong Kong has also established itself as the premier stock market for Chinese firms seeking to list abroad. In 2015, mainland Chinese companies constituted about 50% of the firms listed on the Hong Kong Stock Exchange and accounted for about 66% of the exchange's market capitalization.

During the past decade, as Hong Kong's manufacturing industry moved to the mainland, its service industry has grown rapidly. In 2014, Hong Kong and China signed a new agreement on achieving basic liberalization of trade in services in Guangdong Province under the Closer Economic Partnership Agreement (CEPA), adopted in 2003 to forge closer ties between Hong Kong and the mainland. The new measures, which took effect in March 2015, cover a negative list and a most-favored treatment provision. On the basis of the Guangdong Agreement, the Agreement on Trade in Services signed in November 2015 further enhanced liberalization, including extending the implementation of the majority of Guangdong pilot liberalization measures to the whole Mainland, reducing the restrictive measures in the negative list, and adding measures in the positive lists for cross-border services as well as cultural and telecommunications services. In June 2017, the Investment Agreement and the Agreement on Economic and Technical Cooperation (Ecotech Agreement) were signed under the framework of CEPA.

Hong Kong's economic integration with the mainland continues to be most evident in the banking and finance sector. Initiatives like the Hong Kong-Shanghai Stock Connect, the Hong Kong- Shenzhen Stock Connect the Mutual Recognition of Funds, and the Bond Connect scheme are all important steps towards opening up the Mainland's capital markets and have reinforced Hong Kong's role as China's leading offshore RMB market. Additional connect schemes such as ETF Connect (for exchange-traded fund products) are also under exploration by Hong Kong authorities. In 2017, Chief Executive Carrie LAM announced plans to increase



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government spending on research and development, education, and technological innovation with the aim of spurring continued economic growth through greater sector diversification.

Source : CIA

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## ***COMPANY NAME AND ADDRESS***

### **RAJ CHEMICALS LIMITED**

Address: c/o DhunSukh Management Services Ltd.  
7/F., Man On Commercial Building,  
12-13 Jubilee Street, Central,  
Hong Kong.

#### **ADDRESS:**

Registered Head Office:-

c/o DhunSukh Management Services Ltd.  
7/F., Man On Commercial Building, 12-13 Jubilee Street, Central, Hong Kong.

Associated Companies:-

Raj Chemicals CC, South Africa.  
Raj Chemicals LLC, USA.  
Raj Chemicals Pvt. Ltd., India.  
Raj Chemicals, India.  
S.K. Chemicals, India.

## ***BUSINESS REGISTRATION NUMBER***

39303942

## ***COMPANY FILE NUMBER***

1236250

## ***DATE OF INCORPORATION***

13th May, 2008.

## ***ISSUED SHARE CAPITAL***

HK\$2,000,000.00

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## **SHAREHOLDERS**

(As per registry dated 13-05-2018)

<u>Name</u>	<u>No. of shares</u>
Rajesh Nagindas SHAH	1,000,000
Saumit Krishnakant SHAH	1,000,000
Total:	2,000,000 =====

## **DIRECTORS**

(As per registry dated 13-05-2018)

<u>Name</u> <u>(Nationality)</u>	<u>Address</u>
Saumit Krishnakant SHAH	10, Rajnagar Society, Behind GEB Colony, Akota, Baroda 390 015, India.
Rajesh Nagindas SHAH	23, Valkeshvar Society, Ambawadi, Chadawad, Ahmedabad, Gujarat 380 015, India.

## **SECRETARY**

(As per registry dated 13-05-2018)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
DhunSukh Management Services Ltd.	7/F., Man On Commercial Building, 12-13 Jubilee Street, Central, Hong Kong.	0027006

## **HISTORY**

The subject was incorporated on 13th May, 2008 as a private limited liability company under the Hong Kong Companies Ordinance.

Apart from these, neither material change nor amendment has been ever traced and noted.

## **GENERAL**

Raj Chemicals Limited is equally owned by Mr. Rajesh Nagindas Shah and Mr. Saumit Krishnakant Shah. The subject has issued 2 million ordinary shares of HK\$1.00 each while each of the shareholders holds a million share. The two Shahs are India passport holders and do not have the right to reside in Hong Kong permanently. They are also directors of the subject.

The subject does not have its own operating office. Its registered office is in a commercial service firm located at 7/F., Man On Commercial Building, 12-13 Jubilee Street, Central, Hong Kong known as DhunSukh Management Services Ltd. [DMSL] which is handling its correspondences and documents. This firm is also the corporate secretary of the subject.

The subject has no employees in Hong Kong.

The subject has been an emerging company in the field of bulk and specialty chemicals. It is trading in the following commodities:

1. Products Pulp and Paper Chemicals
2. Dyes
3. Food Chemicals & Animal Feed
4. Colours And Pigments
5. Speciality Chemicals
6. Ligno Sulphonates

Associated companies are in India. The following two firms are its main associates in India:-

- Raj Chemicals.
- S.K. Chemicals.

These two firms were set up by the shareholders of the subject. Starting as a modest small scale unit for the manufacture of dyes intermediates in 1986, Raj chemicals and S.K. chemicals have grown to a remarkable small scale industry having added many dyes and intermediates in their range of products. Both companies have established their Q.C., R & D and pollution control divisions.

The products of the Group serve the following industries:-

1. Pulp and Paper Industry;
2. Leather and Textile Industry;
3. Oil Drilling Industry;
4. Ceramic Industry;
5. Agricultural Industry;

6. Food Industry; &
7. Construction Industry.

Raj Chemicals Group has subsidiaries in India which are operating three main plants:-

- Nandesari Chemicals Zone near Baroda, India;
- Ankleshwar, India; &
- Ahmedabad, India.

These companies have an independent custom manufacturing facility to provide bench-scale, kilo lab and pilot scale synthesis for chemicals in the field of dyes, pigments and bulk chemicals.

Now, the subject has set up associated firms in the United States and South Africa besides India.

According to the subject, its products are marketed in the following countries: China, India, Taiwan, Singapore, Indonesia, Australia, New Zealand, South Africa, Turkey, Greece, Belgium, Germany, the United Kingdom, Switzerland, Canada, the United Kingdom, Mexico, Colombia, Brazil, etc.

In Hong Kong, the subject has been banking with The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong and Bank of India, Hong Kong Branch.

The subject's business in Hong Kong is not active. History in Hong Kong is over ten years and seven months.

On the whole, since the subject does not have its own operating office and has no employees in Hong Kong, consider it good for business engagements on L/C basis or in very small credit amounts.

## ***MORTGAGE OR CHARGE***

Date	Particulars				Amount
10-02-2009	<i>Instrument:</i>	Letter of Set-Off & Appropriation			Advanced and other banking facilities
	<i>Property:</i>				
	<u>Deal No.</u>	<u>Date</u>	<u>Amount</u>	<u>Due Date</u>	
	152181	10.02.2009	US\$75,000.00	10.02.2010	
	<i>Mortgagee:</i>	Bank of India, Hong Kong Branch.			
17-11-2009	<i>Instrument:</i>	Letter of Set-Off & Appropriation			Advanced and other banking facilities
	<i>Property:</i>				
	<u>Deal No.</u>	<u>Date</u>	<u>Amount</u>	<u>Due Date</u>	
	159240	13.11.2009	US\$25,000.00	12.05.2010	
	<i>Mortgagee:</i>	Bank of India, Hong Kong Branch.			
02-06-2011	<i>Instrument:</i>	Letter of Set-Off & Appropriation			Advanced and other banking facilities
	<i>Property:</i>				
	<u>Deal No.</u>	<u>Date</u>	<u>Amount</u>	<u>Due Date</u>	
	170689	02.06.2011	US\$35,000.00	04.06.2012	

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	170702	02.06.2011	US\$65,000.00	04.06.2012	
	<i>Mortgagee:</i>	Bank of India, Hong Kong Branch.			
09-05-2012	<i>Instrument:</i>	Security over Deposits with the Bank (Fixed Deposits) Limited Company -Under Seal			(i) all monies in any currency; (ii) interest on such monies; & (iii) all expenses
	<i>Property:</i>	One or more time deposit(s) of any nature of duration of the Company with the chargee in the amount of HK\$50,000 deposit Account Number: 652-101700-838 (0001)			
	<i>Mortgagee:</i>	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.			
25-05-2012	<i>Instrument:</i>	Letter of Set-Off & Appropriation			Advanced and other banking facilities
	<i>Property:</i>				
	<u>Deal No.</u>	<u>Date</u>	<u>Amount</u>	<u>Due Date</u>	
	170689	02.06.2011	US\$35,000.00	04.06.2012	
	170702	02.06.2011	US\$65,000.00	04.06.2012	
	173779	15.11.2011	US\$25,491.90	15.11.2012	
	175463	10.02.2012	US\$78,945.12	13.02.2013	
	177410	22.05.2012	US\$50,000.00	22.05.2013	
	177484	25.05.2012	US\$50,000.00	27.05.2013	
	<i>Mortgagee:</i>	Bank of India, Hong Kong Branch.			
28-06-2013	<i>Instrument:</i>	Letter of Set-Off & Appropriation			Advanced and other banking facilities
	<i>Property:</i>				
	<u>Deal No.</u>	<u>Date</u>	<u>Amount</u>	<u>Due Date</u>	
	185009	28.06.2013	US\$100,000.00	30.06.2014	
	184992	27.06.2013	US\$100,000.00	27.06.2014	
	<i>Mortgagee:</i>	Bank of India, Hong Kong Branch.			

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.11
UK Pound	1	INR 88.74
Euro	1	INR 79.82
HKD	1	INR8.95

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

**INFORMATION DETAILS**

Analysis Done by :	DIV
Report Prepared by :	POJ

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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)