

MIRA INFORM REPORT

Report No. :	484024
Report Date :	05.01.2018

IDENTIFICATION DETAILS

Name :	DK METAL WORLD LIMITED
Registered Office :	Flat B4, 15/F., Prat Mansion, 26-36 Prat Avenue, Kowloon
Country :	Hong Kong
Date of Incorporation :	09.04.2005
Com. Reg. No.:	35506518
Legal Form :	Private Limited Company.
Line of Business :	Importer, exporter and wholesaler of all kinds of alloy products.
No. of Employees :	2

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd 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 :	Slow but Correct
Litigation :	Clear

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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 (30.06.2017)	Current Rating (30.09.2017)
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

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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, hydrocarbon 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.

Hong Kong's open economy left it exposed to the global economic slowdown that began in 2008. Although increasing integration with China through trade, tourism, and financial links aided a more rapid initial recovery than many observers anticipated, its continued reliance on foreign trade and investment leaves it vulnerable to renewed global financial market volatility or a slowdown in the global economy.

The Hong Kong Government is promoting the Special Administrative Region (SAR) as the site for Chinese 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; and RMB trade settlement is allowed. The territory far exceeded the RMB conversion quota set by Beijing for trade settlements in 2010 due to the growth of earnings from exports to the mainland. RMB deposits grew to roughly 9.4% of total system deposits in Hong Kong by the end of 2015. The government is pursuing efforts to introduce additional use of RMB in Hong Kong financial markets and is seeking to expand the RMB quota.

The mainland 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 has surged from 4.5 million in 2001 to 47.3 million in 2014, outnumbering visitors from all other countries combined. Mainland visitors to Hong Kong declined 3% in 2015 to approximately 45.7 million, reflecting an overall drop of 2.5% in total visitors to Hong Kong. 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 51% of the firms listed on the Hong Kong Stock Exchange and accounted for about 62.1% 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, adopted in 2003 to forge closer ties between Hong Kong and the mainland. The new measures, effective March 2015, cover a negative list and a most-favored treatment provision, and will improve access to the mainland's service sector for Hong Kong-based companies.

Credit expansion and a tight housing supply have caused Hong Kong property prices to rise rapidly; consumer prices increased 4.4% in 2014, but slowed to 2.9% in 2015. Lower- and middle-income segments of the population are increasingly unable to afford adequate housing.

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 Mutual Recognition of Funds, and The Hong Kong Shanghai Gold Connect are all important steps towards opening up the Mainland's capital markets and has reinforced Hong Kong's leading role as China's offshore RMB market. Additional connect schemes from bonds to commodities and other investment products are also under exploration by Hong Kong authorities.

Source : CIA

COMPANY NAME AND ADDRESS

DK METAL WORLD LIMITED

ADDRESS: Flat B4, 15/F., Prat Mansion, 26-36 Prat Avenue, Kowloon, Hong Kong.

PHONE: 852-2312 1660

FAX: 852-2312 1662

MANAGEMENT:

Managing Director: Mr. Sanjay Arya

SUMMARY

Incorporated on: 9th April, 2005.

Organization: Private Limited Company.

Issued Share Capital: HK\$10,000.00

Business Category: Importer, Exporter and Wholesaler.

Employee: 2.

Main Dealing Banker: The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.

Banking Relation: Satisfactory.

ADDRESS

Registered Head Office:-
Flat B4, 15/F., Prat Mansion, 26-36 Prat Avenue, Kowloon, Hong Kong.

Associated Companies:-
KRM Metals LLP, India.
Wook Silicon Alloys Private Ltd., India.

BUSINESS REGISTRATION NUMBER

35506518

COMPANY FILE NUMBER

0962064

MANAGEMENT

Managing Director: Mr. Sanjay Arya

ISSUED SHARE CAPITAL

HK\$10,000.00

SHAREHOLDERS

(As per registry dated 09-04-2017)

<u>Name</u>	<u>No. of shares</u>
Rajesh Popatlal GALA	5,000
Sanjay ARYA	5,000
Total:	10,000
	=====

DIRECTORS

(As per registry dated 09-04-2017)

<u>Name</u>	<u>Address</u>
Sanjay ARYA	804, B-Wing, Magnam Vasant Marvel Western, Express Highway Borivali-E, Mumbai-66, M.S., India.
Rajesh Popatlal GALA	A/103, Satyam, Simpoli Road, Borivali (West), Mumbai-L100092, India.

SECRETARY

(As per registry dated 09-04-2017)

<u>Name</u>	<u>Address</u>	<u>Co. No.</u>
VMC Secretaries Ltd.	Room 1617-1618, 16/F., Star House, 3 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong.	0750831

HISTORY

The subject was incorporated on 9th April, 2005 as a private limited liability company under the Hong Kong Companies Ordinance.

Originally the subject was registered under the name of KR Metals Ltd., name changed to the present style on 18th October, 2007.

Formerly the subject was located at Room 1617-1618, 16/F., Star House, 3 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong where is the operating office of VMC Secretaries Ltd. The subject moved to the present address with effect from 16th January, 2011.

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

OPERATIONS

Activities: Importer, Exporter and Wholesaler.

Lines: All kinds of alloy products.

Employee: 2.

Commodities Imported: India, Middle East, South America, etc.

Markets: Japan, Europe, US, etc.

Terms/Sales: L/C, T/T, etc.

Terms/Buying: L/C, T/T, D/P, etc.

FINANCIAL INFORMATION

Issued Share Capital: HK\$10,000.00

Profit or Loss: Made very small profits in Hong Kong.

Condition: Business is normal.

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Facilities:	Adequate for current running.
Payment:	Slow but Correct.
Commercial Morality:	Satisfactory.
Banker:	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Standing:	Small.

GENERAL

DK Metal World Limited has issued 10,000 ordinary shares of HK\$1.00 each which are equally owned by Mr. Rajesh Popatlal Gala and Mr. Sanjay Arya, both of whom are India merchant. The two shareholders are also directors of the subject. Both are Hong Kong ID holders and have got the right to reside in Hong Kong. Formerly, the subject's registered office was in a secretarial service firm located at Room 1617-1618, 16/F., Star House, 3 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong known as VMC Secretaries Ltd. [VMC] which is handling its correspondences and documents. VMC is also the corporate secretary of the subject. With effect from 16th January, 2011, the subject's registered address moved to Flat B4, 15/F., Prat Mansion, 26-36 Prat Avenue, Kowloon, Hong Kong. This office is not in a commercial building but a residential building. This address may also be the residence of the two shareholders.

The subject is trading in the following products:

1. Ferro manganese (ELC, LC, MC, HC),
2. Ferro chrome (ELC, LC, HC),
3. Ferro molybdenum,
4. Ferro titanium,
5. Silicon manganese,
6. Stabilised Ferro-silicon,
7. Manganese oxide, etc.

These alloys are widely used in manufacturing tools. Some of these products are de-oxidizers, de-nitrogenator, etc. Commodities are sourced from India, the United Arab Emirates, Russia, South America, etc. Prime markets are Japan, European countries and the United States.

Besides, the subject has had an associated company Wook Silicon Alloys Private Ltd. [WSA] in India. WSA is also owned and operated by the two shareholders of the subject. They are also directors of WSA while the third director is Mr. Nitesh Jain.

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WSA was incorporated on 19th October, 2010. Its authorized share capital is Rs. 5 million and its paid up capital is Rs. 200,000.

WSA has a Ferro Alloy Manufacturing Unit in India. The subject is marketing and exporting the products of WSA. Besides WSA, the subject has got another associate in India known as KRM Metals LLP [KRM]. Rajesh Popatlal Gala and Sanjay Arya are also directors of KRM.

The following companies are two of the subject's US buyers:-

- Tremond Alloys & Metals GRP Corporation.
- R. I. Swearer Co. Inc.;

The subject's business in Hong Kong is normal. History in Hong Kong is over twelve years and eight months. On the whole, consider it good for business engagements in moderate credit amounts.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 63.39
UK Pound	1	INR 85.74
Euro	1	INR 76.25
HKD	1	INR 8.10

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)

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