

MIRA INFORM REPORT

Report No. :	521402
Report Date :	21.07.2018

IDENTIFICATION DETAILS

Name :	K. P. SANGHVI HK LIMITED
Registered Office :	Room 2001, 20/F., Empress Plaza, 17-19 Chatham Road, Tsimshatsui, Kowloon
Country :	Hongkong
Date of Incorporation :	07.01.2004
Com. Reg. No.:	34225888
Legal Form :	Private Limited Company
Line of Business :	Trader of all kinds of Diamond & Jewellery.
No. of Employees :	6

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 :	No Complaints
Litigation :	Clear

NOTES:

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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 (31.12.2017)	Current Rating (01.04.2018)
Hongkong	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

HONGKONG - 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.

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.

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 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

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

Source : CIA

COMPANY NAME AND ADDRESS

K. P. SANGHVI HK LIMITED

ADDRESS: Room 2001, 20/F., Empress Plaza, 17-19 Chatham Road, Tsimshatsui, Kowloon, Hong Kong.

PHONE: 852-2316 2123

FAX: 852-2125 8975

E-MAIL: hongkong@kpsanghvi.com
info@kpsanghvi.hk

MANAGEMENT

Managing Director: Mr. Bharatkumar Girdharlal Mehta

SUMMARY

Incorporated on: 7th January, 2004.

Organization: Private Limited Company.

Issued Share Capital: HK\$125,000.00

Business Category: Diamond & Jewellery Trader.

Employees: 6.

Main Dealing Banker: Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.

Banking Relation: Very Good.

ADDRESS

Registered Head Office:-

Room 2001, 20/F., Empress Plaza, 17-19 Chatham Road, Tsimshatsui, Kowloon, Hong Kong.

Holding Company:-

K. P. Sanghvi International Private Ltd., India.

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Associated Companies:-

Jewellery BVBA, Belgium.
K. P. Sanghvi & Sons, India.
K. P. Sanghvi Capital Services Pvt. Ltd., India.
KP Sanghvi Europe BVBA, Belgium.
KP Sanghvi Inc., US.
KP Sanghvi Infrastructures Pvt. Ltd., India.
KP Sanghvi Jewels Pvt. Ltd., India.
KP Sanghvi Middle East DMCC, U.A.E.
Meru Gems LLC, U.A.E.

BUSINESS REGISTRATION NUMBER

34225888

COMPANY FILE NUMBER

0878401

MANAGEMENT

Managing Director: Mr. Bharatkumar Girdharlal Mehta
Contact Person and Secretary: Ms. Katie Li

ISSUED SHARE CAPITAL

HK\$125,000.00

SHAREHOLDERS

(As per registry dated 07-01-2018)

<u>Name</u>	<u>No. of shares</u>
K. P. Sanghvi International Private Ltd. 12A-03, 13/F., Parinee Crescenzo, C-38/39, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India.	100,000
Nitin Hajarimal SANGHVI	25,000

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Total: 125,000
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DIRECTOR

(As per registry dated 07-01-2018)

Name

(Nationality)

Bharatkumar Girdharlal MEHTA

Address

Flat A, 11/F., Union Mansion, 33-35 Chatham Road South,
Tsimshatsui, Kowloon, Hong Kong.

SECRETARY

(As per registry dated 07-01-2018)

Name

Gaurang Mahesh SONI

Address

Flat C, 9/F., Carlton Building, 2-3 Knutsford Terrace,
Tsimshatsui, Kowloon, Hong Kong.

HISTORY

The subject was incorporated on 7th January, 2004 as a private limited liability company under the Hong Kong Companies Ordinance.

The subject changed its director in March 2015. In January 2017, it changed its company secretary. In March 2017, it changed its shareholder.

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

OPERATIONS

Activities: Diamond & Jewellery Trader.

Lines: All kinds of Diamonds.

Employees: 6.

Commodities Imported: India, Europe, etc.

Markets: Hong Kong, China, other Asian countries, the Middle East, Europe, North America, etc.

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

FINANCIAL INFORMATION

Issued Share Capital: HK\$125,000.00

Mortgage or Charge:-

Date of Debenture: 27-09-2012

Amount: All monies, obligations and liabilities

Property: The Borrower as beneficial owner hereby charges to the Lender as trustee for the Secured Parties by way of First Floating Charge all its undertaking and all its other property and assets and rights, whatsoever and wheresoever, both present and future including its uncalled capital

Mortgagee: Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.

Profit or Loss: Making a small profit every year.

Condition: Keeping in a satisfactory manner.

Facilities: Making rather active use of general banking facilities.

Payment: Met trade commitments as required.

Commercial Morality: Good.

Banker: Standard Chartered Bank (Hong Kong) Ltd., Hong Kong.

Standing: Very Good.

GENERAL

Having issued 125,000 ordinary shares of HK\$1.00 each, K.P. Sanghvi HK Limited is 80% owned by K. P. Sanghvi International Ltd. [KPSIL] which is an India-based company. The other 20% is owned by Nitin Hajarimal Sanghvi.

Formerly the balance 20% was owned by Mr. Kishore Hajarimal Sanghvi who was a significant India merchant. He transferred all his shares to Nitin Hajarimal Sanghvi on 21st March, 2017.

The registered address of Nitin Hajarimal Sanghvi is in the United Arab Emirates.

The director of the subject is Mr. Bharatkumar Girdharlal Mehta. He was appointed on 27th March, 2015. Mehta is a Hong Kong ID holder and has got the right to reside in Hong Kong. He is also the only director of the subject. The subject is a member of Sanghvi Group which is based in India. It is trading in diamonds and jewellery products such as rings, earrings, bracelets, necklaces, pendants.

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The Group was set up by the late Hajarimal Sanghvi and Babulal Sanghvi. Now, the latter is the Chairman of the Group. Now the Group has associated companies in India, Belgium, the United States and the United Arab Emirates.

The Group is supplying diamonds ranging from 0.005 to 5 carats, in Round, Marquise and Princess Cuts.

KPSIL is the Jewellery manufacturing and export division of India's top most Diamontaries; M/s KP Sanghvi Group. Since 1965, KP Sanghvi Group has been dedicated towards the art of perfection, a dedication that shows in its products, its ethics and in its people; a dedication that has steered the company over the past four decades. KPSIL exports its products to the United States, Europe, the Middle East, etc.

In order to penetrate the international market further, the subject has taken part in fairs and exhibitions held in Hong Kong and other foreign large cities.

For instance, it took part in "HKTDC Hong Kong International Jewellery Show 2018" which had been held in Hong Kong Convention and Exhibition Centre, Wanchai, Hong Kong during the period of 1st to 5th March, 2018. Its booth No. was ECE 3F-D18.

The business of the subject is chiefly handled by Mr. Bharatkumar Girdharlal Mehta himself who is currently residing in Hong Kong.

The subject is fully supported by KPSIL.

As the history of the subject is over fourteen years and four months in Hong Kong, on the whole, consider it good for normal business engagements.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.85
UK Pound	1	INR 89.67
Euro	1	INR 80.31
HKD	1	INR 8.76

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	TPT

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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)