

MIRA INFORM REPORT

Report No. :	520584
Report Date :	24.07.2018

IDENTIFICATION DETAILS

Name :	NIRU DIAMONDS (H.K.) LIMITED
Registered Office :	Unit E & F, 16/F., 8 Hart Avenue, Tsimshatsui, Kowloon
Country :	Hong Kong
Date of Incorporation :	07.02.2001
Com. Reg. No.:	31651260
Legal Form :	Private Limited Company
Line of Business :	Importer, Exporter and Wholesaler of All Kinds of Loose and Polished Diamonds.
No. of Employees :	7

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

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com 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)
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, 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 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

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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 & ADDRESS

NIRU DIAMONDS (H.K.) LIMITED

ADDRESS: Unit E & F, 16/F., 8 Hart Avenue, Tsimshatsui, Kowloon, Hong Kong.

PHONE: 852-2368 2475, 2368 9937

FAX: 852-2368 2459

E-MAIL: kalpesh@niru.co.il

MANAGEMENT

Managing Director: Mr. Kalpesh Mahendra Shah

SUMMARY

Incorporated on: 7th February, 2001.

Organization: Private Limited Company.

Issued Share Capital: HK\$65,280,010.00

Business Category: Diamond Trader.

Employees: 7.

Main Dealing Banker: The Royal Bank of Scotland N.V., Hong Kong Branch.

Banking Relation: Good.

NAME

NIRU DIAMONDS (H.K.) LIMITED

ADDRESS

Registered Head Office:-

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Unit E & F, 16/F., 8 Hart Avenue, Tsimshatsui, Kowloon, Hong Kong.

Holding Company:-

New Century Marketing Ltd., Hong Kong. (Same address)

Associated Companies:-

Niru Group of Companies
Amore Jewels Pvt. Ltd., India.
Azores Trade & Investments Ltd., Israel.
Barcodiam Ltd., Israel.
Diamond Cutters Ltd., Sri Lanka.
Hasne Diamonds Ltd., Israel.
La4ve Ltd., US.
Niru (New York) Ltd., USA.
Niru (Swiss) S.A., Switzerland.
Niru Diamonds (M.E.) LLC, UAE.
Niru Diamonds Israel (1987) Ltd., Israel.
Niru Diamonds Ltd., Israel.
Niru Diamonds Ltd., Thailand.
Niru Lanka (Pvt.) Ltd., Sri Lanka.
Niru Lanka Exports (Pvt.) Ltd., Sri Lanka.
Sim Diam Pvt. Ltd., India.
etc.

BUSINESS REGISTRATION NUMBER

31651260

COMPANY FILE NUMBER

0746330

MANAGEMENT

Managing Director: Mr. Kalpesh Mahendra Shah
(Hong Kong Mobile: 852-9247 7916)
Contact Person: Mr. Charon Shery

ISSUED SHARE CAPITAL

HK\$65,280,010.00 (6,528,001 fully paid ordinary shares)

SHAREHOLDERS

(As per registry dated 25-04-2018)

Name	No. of shares
New Century Marketing Ltd., Hong Kong.	6,528,000
Kalpesh Mahendra SHAH	1
	<hr/>
Total:	6,528,001
	=====

DIRECTORS

(As per registry dated 07-02-2018)

Name	Address
(Nationality) Kalpesh Mahendra SHAH	Flat L, 4/F., Block 2, Royal Peninsula, 8 Hung Lai Road, Hungghom, Kowloon, Hong Kong.
Bhavini Kalpesh SHAH	Flat L, 4/F., Block 2, Royal Peninsula, 8 Hung Lai Road, Hungghom, Kowloon, Hong Kong.

SECRETARY

(As per registry dated 20-03-2018)

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

HISTORY

The subject was incorporated on 7th February, 2001 as a private limited liability company under the Hong Kong Companies Ordinance.

The subject increased its issued share capital substantially in 2013 and 2015 respectively.
Apart from these, neither material change nor amendment has been ever traced and noted.

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OPERATIONS

Activities:	Importer, Exporter and Wholesaler.
Lines:	All kinds of loose and polished diamonds.
Employees:	7.
Commodities Imported:	Israel, India, other Asian countries, etc.
Markets:	Hong Kong, China, other Asian countries, Europe, etc.
Terms/Sales:	CAD, L/C, T/T, etc.
Terms/Buying:	L/C, T/T, D/P, O/A, etc.

FINANCIAL INFORMATION

Issued Share Capital:	HK\$65,280,010.00 (6,528,001 fully paid ordinary shares)
Mortgage or Charge:-	
Date of Debenture:	23-09-2008
Amount:	General banking facilities
Property:	All the Company's undertaking and property and assets whatsoever and wheresoever both present and future including all book and other debts revenues and claims
Mortgagee:	ABN AMRO Bank N.V., Hong Kong Branch. [Now known as The Royal Bank of Scotland N.V.]
Profit or Loss:	Making a small profit every year.
Condition:	Business is active and steady.
Facilities:	Making active use of general banking facilities.
Payment:	Slow but correct.
Commercial Morality:	Satisfactory.
Banker:	The Royal Bank of Scotland N.V., Hong Kong Branch.
Standing:	Good.

GENERAL

Niru Diamonds (H.K.) Limited is almost a wholly owned subsidiary of New Century Marketing Ltd. which is a Hong Kong-based firm. This company is located at the same address.

The subject increased its number of ordinary shares and issued share capital in February 2018.

The directors of the subject are Kalpesh Mahendra Shah and Bhavini Kalpesh Shah, both are Hong Kong ID holders and currently residing in Hong Kong. They are residing at the same address.

The subject is trading in the following commodities:

Loose Diamonds

Round Cut Diamonds

Princess Cut Diamond

Baguette Cut Diamond

The subject in fact is a member of Niru Group of Companies [Niru] which were founded in 1979 in Israel. The main Israel firm is known as Niru Diamonds Israel (1978) Ltd. [Niru Israel]. The subject and its holding company are engaged in the same lines of business.

Niru Israel is a global leader engaged in manufacturing and selling Baguette, Princess and Square Cut diamonds. Its head office is located at Maccabi, 1 Jabotinsky, Suite 2242, Ramat Gan, Israel 52520. Niru is a DTC Sightholder. The main company of the Group is Niru Israel.

Established in 1979 by Ranjeet Barmecha, Niru is a global leader in manufacturing and marketing long and square diamonds. It also provides Swiss watch market with precision cutting and setting services. It is a vendor of choice to the world's leading Watch Brands, Jewellers and Retailers. In addition to Niru's position as a market leader in Baguette, Princess, and Calibrated Diamonds, it is also a leading manufacturer of premium, high-quality 3eX Rounds, etc.

The production facilities of Niru are in China, Sri Lanka and Israel. The technologies of these factories came from Israel chiefly as well as from China.

Niru now has set up associated companies in Switzerland, New York of the United States, Dubai of the United Arab Emirates, Bangkok of Thailand, Mumbai of India besides the subject and the one in Tel Aviv of Israel.

Niru's associated companies in India are the following two firms:-

Sim Diam Pvt. Ltd.

Amore Jewels Pvt. Ltd.

Both firms are in Mumbai, India. Amore Jewels is a leading manufacturer of princess shaped studded diamond jewellery in India.

In 2014, Niru was recognized by Israel as an Outstanding Exporter in the country. The President of Israel invited Niru to his home to present it an award for being an Outstanding Exporter of Israel. The award was one of the highest honours granted for Commerce in the country.

In recent years, the Group has set up a new firm in Israel known as Azores Trade & Investments Ltd.

Its associated company in the United States is Niru (NY) Ltd. which is in New York while the one in Dubai is Niru Diamonds (M.E) L.L.C.

The subject is chiefly trading in polished diamonds, round cut diamonds, princess cut diamonds, and baguette cut diamonds, which are manufactured by the Group.

In Hong Kong, the subject re-exports the polished diamonds to the other Asian countries, the United Arab Emirates, Europe, etc. Its business is chiefly handled by the two directors. The contact person is Mr. Charon Shery. The senior sales managers are Ms. Ody and Mr. Sunny.

The subject is fully supported by its associated companies in India and Israel.

As the history of the subject is over seventeen years and five 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 68.70
UK Pound	1	INR 90.27
Euro	1	INR 80.56
HKD	1	INR 8.78

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

INFORMATION DETAILS

Analysis Done by :	VIV
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)