

## MIRA INFORM REPORT

|               |            |
|---------------|------------|
| Report No. :  | 520921     |
| Report Date : | 25.07.2018 |

### IDENTIFICATION DETAILS

|                         |  |
|-------------------------|--|
| Name :                  | SANGHVI STAR HK LIMITED  |
| Registered Office :     | Office No. 7, 5/F., Hart Avenue Plaza, 5-9 Hart Avenue, Tsimshatsui, Kowloon |
| Country :               | Hong Kong  |
| Date of Incorporation : | 24.04.2013   |
| Com. Reg. No.:          | 61333361   |
| Legal Form :            | Private Limited Company  |
| Line of Business :      | Importer, exporter and wholesaler of all kinds of diamonds                   |
| No. of Employees :      | 2  |

### RATING & COMMENTS

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

|                 |   |
|-----------------|---|
| MIRA's Rating : | A |
|-----------------|---|

| 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](mailto:infodept@mirainform.com) while quoting report number, name and date.

### ECGC Country Risk Classification List

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

### **SANGHVI STAR HK LIMITED**

**ADDRESS:** Office No. 7, 5/F., Hart Avenue Plaza, 5-9 Hart Avenue, Tsimshatsui, Kowloon, Hong Kong.

**PHONE:** 852-5604 8158, 5643 4602

**FAX:** Not available.

**E-MAIL:** hk@sanghvisons.com

## **MANAGEMENT**

Managing Director: Mr. Bhavin Atul Manekar

## **SUMMARY**

Incorporated on: 24th April, 2013.

Organization: Private Limited Company.

Issued Share Capital: HK\$1,357,808.00

Business Category: Importer, Exporter and Wholesaler.

Employees: 2.

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

Banking Relation: Satisfactory.

## **ADDRESS**

### **Registered Head Office:-**

Office No. 7, 5/F., Hart Avenue Plaza, 5-9 Hart Avenue, Tsimshatsui, Kowloon, Hong Kong.

### **Holding Company:-**

Devdiam Private Ltd., India.

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**Associated Companies:-**

Sanghvi & Sons

308 Prasadchambers, Opera House, Mumbai, Maharashtra 400004, India.

[Tel: 91-22-4030 9999, Fax: 91-22-2363 0716]

T Sanghvi Exports, India.

**BUSINESS REGISTRATION NUMBER**

61333361

**COMPANY FILE NUMBER**

1897162

**MANAGEMENT**

Managing Director: Mr. Bhavin Atul Manekar

(Hong Kong Mobile: 852-5604 8158)

**ISSUED SHARE CAPITAL**

HK\$1,357,808.00 (70,000 fully paid ordinary shares)

**SHAREHOLDERS**

(As per registry dated 24-04-2018)

**Name**

Devdiam Private Ltd.  
308 Prasad Chambersopera House, Mumbai,  
Maharashtra, India 400004.  
Bhavin Atul MANEKAR  
Shripal Shivalal BAFNA

**No. of shares**

64,000

3,000

3,000

Total:

70,000

=====

## **DIRECTORS**

(As per registry dated 24-04-2018)

**Name**

**(Nationality)**

Shripal Shivalal BAFNA

**Address**

Flat A, 6/F., Dorfu Court, 5 Hau Fook Street, Kowloon, Hong Kong.

Bhavin Atul MANEKAR

Flat C, 12/F., Creative Mansion, 6-8 Chatham Court, Tsimshatsui, Kowloon, Hong Kong.

## **SECRETARY**

(As per registry dated 24-04-2018)

**Name**

C K Registrations Ltd.

**Address**

Workshop E, 7/F., Century Industrial Centre, 33-35 Au Pui Wan Street, Fotan, Shatin, New Territories, Hong Kong.

**Co. No.**

0803965

## **HISTORY**

The subject was incorporated on 24th April, 2013 as a private limited liability company under the Hong Kong Companies Ordinance.

Formerly the subject was located at 'Unit 02, 11/F., Workingport Commercial Building, 3 Hau Fook Street, Tsimshatsui, Kowloon, Hong Kong', moved to the present address in April 2015.

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

## **OPERATIONS**

Activities: Importer, Exporter and Wholesaler.

Lines: All kinds of diamonds.

Employees: 2.

Commodities Imported: India, other Asian countries, etc.

Markets: Hong Kong, China, India, other Asian countries, etc.

Terms/Sales: CAD or as per contracted.

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Terms/Buying: L/C, T/T, O/A, etc.

## **FINANCIAL INFORMATION**

Issued Share Capital: HK\$1,357,808.00 (70,000 fully paid ordinary shares)

Profit or Loss: Made small profits in past four years.

Condition: Business is normal.

Facilities: Adequate for current running.

Payment: Slow but correct.

Commercial Morality: Satisfactory.

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

Standing: Normal.

## **GENERAL**

Formerly Sanghvi Star HK Limited was equally owned by Mr. Bhavin Atul Manekar and Mr. Shripal Shivalal Bafna, both are India merchants.

Now, the subject has changed its issued share capital and number of shares. It is 91.4% owned by Devdiam Private Ltd., an India-based company. Mr. Bhavin Atul Manekar is holding 4.3% and so does Mr. Shripal Shivalal Bafna. Being Hong Kong ID holders, they are also directors of the subject. Currently, they are residing in Hong Kong.

Business commenced in April 2013, the subject is a diamond trader. It moved to the present new address in April 2015.

Bhavin Atul Manekar can be reached at his Hong Kong mobile phone number 852-5604 8158.  
Another employee of the subject can be reached at his Hong Kong mobile phone number 852-5643 4602.  
The subject has had an associated company Sanghvi & Sons which is in India.

Founded in 1982, Sanghvi & Sons is specialized in 0.30 cts to 10.00 cts polish diamonds with GIA or IGI Certification. Other specifications: from IF to I2 clarity, D-N & all fancy colours, in numerous shapes. The factory of Sanghvi & Sons is in Surat, India. The subject is the sales agent of Sanghvi & Sons. The subject is trading in the following products: Round Cut Diamond, Square Cut Diamond, Carat Diamond, Solitaire Diamond, other Loose Diamonds, etc.

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The subject has had another associated company T Sanghvi Exports which is also in India. It also has had an office in Bangalore, India.

The subject is trading in the same kinds of products as Sanghvi & Sons, more or less.

The subject imports products from India and markets in Hong Kong, China and exports to the other Asian countries, Europe, the United States, etc. It is famous for its carat diamonds and loose diamonds.

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 Diamond, Gem & Pearl Show 2018" which had been held in Hong Kong AsiaWorld-Expo, Lantau, Hong Kong during the period of 27th February to 3rd March, 2018. Its booth No. was AWE 2-C20.

The business of the subject is chiefly handled by the two directors. History in Hong Kong is over five years and three months.

On the whole, consider it good for normal business engagements in small credit amounts.

**FOREIGN EXCHANGE RATES**

| Currency  | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1    | INR 69.05     |
| UK Pound  | 1    | INR 90.30     |
| Euro      | 1    | INR 80.54     |
| HKD       | 1    | INR 8.80      |

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

**INFORMATION DETAILS**

|                             |     |
|-----------------------------|-----|
| <b>Analysis Done by :</b>   | PRI |
| <b>Report Prepared by :</b> | SYL |

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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)