

MIRA INFORM REPORT

Report No. :	541469
Report Date :	28.11.2018

IDENTIFICATION DETAILS

Name :	CARBON CRAFT
Registered Office :	Room F, 6/F., Pacific Building, 65-67 Kimberley Road, Tsim Sha Tsui, Kowloon
Country :	Hongkong
Date of Incorporation :	27.02.2004
Com. Reg. No.:	34311930-000-02
Legal Form :	Sole Proprietorship.
Line of Business :	Importer, exporter and wholesaler of all kinds of diamonds.
No. of Employees :	3

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: while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
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, 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



MIRA INFORM PRIVATE LIMITED
605, Palmspring, Near D'Mart, Link Road,
Malad (West), Mumbai - 400 064. INDIA
Tel : 91-22-40448000 (44 lines)
Fax : 91-22-40448045 / 40448046
E-mail : mira@mirainform.com
info@mirainform.com
Website : <http://www.mirainform.com>
<http://www.miraglobalcheck.com>
<http://www.miraglobalcollections.com>

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

CARBON CRAFT

ADDRESS: Room F, 6/F., Pacific Building, 65-67 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong.

PHONE: 852-2367 8363, 2722 0292, 2723 1243

FAX: 852-2722 6684

E-MAIL: vc@carboncraft.cc

MANAGEMENT

Manager: Mr. Vijaykumar Chandulal Sheth

SUMMARY

Establishment: 27th February, 2004.

Organization: Sole Proprietorship.

Capital: Not disclosed.

Business Category: Diamond Trader.

Employees: 3.

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

Banking Relation: Satisfactory.

ADDRESS

Head Office:-

Room F, 6/F., Pacific Building, 65-67 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong.

Associated Companies:-

Dia Image Export, Hong Kong. (Same owner)
Mayborne International Ltd., Hong Kong. (Same address)

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BUSINESS REGISTRATION NUMBER

34311930-000-02

MANAGEMENT

Manager: Mr. Vijaykumar Chandulal Sheth
Contact Person: Vijay Sheth

SOLE PROPRIETOR

Name: Mr. Vijaykumar Chandulal SHETH
Residential Address: Flat B, 10/F., Ocean View Court, 43 Mody Road, Tsimshatsui, Kowloon, Hong Kong.

HISTORY

The subject was established on 27th February, 2004 as a sole proprietorship concern owned by Mr. Tansukh Shamjibhai Kasodariya under the Hong Kong Business Registration Regulations. Subsequently, Mr. Vijaykumar Chandulal Sheth joined in as a partner on 24th February, 2006 while Kasodariya outwent on 15th June, 2006. Now, the subject is solely owned by Sheth.

Initially the subject was located at Flat B/4, 16/F., Prat Mansion, 28 Prat Aveue, Tsimshatsui, Kowloon, Hong Kong, moved to Room 701, 7/F., Hart Avenue Plaza, 5-9 Hart Avenue, Tsimshatsui, Kowloon, Hong Kong in February 2006; to Flat B, 10/F., Ocean View Court, 43 Mody Road, Tsimshatsui, Kowloon, Hong Kong in June 2006; to Room 1701, 17/F., Lee Wai Commercial Building, 1-3 Hart Avenue, Tsimshatsui, Kowloon, Hong Kong in early September 2010; to Flat B, 13/F., Hody Commercial Building, 6 Hart Avenue, Tsimshatsui, Kowloon, Hong Kong in late September 2010; moved back to Room 1701, 17/F., Lee Wai Commercial Building in December 2010. The subject moved to Room 1201, 12/F., Block B, Fu Hang Industrial Building, 1 Hok Yuen Street, Hunghom, Kowloon, Hong Kong in August 2012 and further to the present address in January 2014.

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.

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Employees: 3.
Commodities Imported: India, Belgium, Thailand, etc.
Markets: Hong Kong, China, Eastern and Western Europe, Middle East, North America, etc.
Terms/Sales: CAD, L/C, T/T, etc.
Terms/Buying: L/C, T/T, D/P, O/A, etc.

FINANCIAL INFORMATION

Capital: Not disclosed.
Profit or Loss: Making a small profit every year.
Condition: Business is normal.
Facilities: Adequate for current running.
Payment: Slow but correct
Commercial Morality: Satisfactory.
Bankers:-
The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Industrial & Commercial Bank of China (Asia) Ltd., Hong Kong.
Standing: Normal.

GENERAL

Carbon Craft is a sole proprietorship owned by Mr. Vijaykumar Chandulal Sheth [V. C. Sheth] who is an India merchant. V. C. Sheth is also manager of the subject. He is a Hong Kong ID Card holder and has got the right to reside in Hong Kong.

The subject moved to the present address in January 2014.

Business commenced in February 2004, the subject is a diamond importer, exporter and wholesaler. It is engaged in manufacturing loose diamonds such as the followings:-

- Star, Melle, Pointers, Marquise, Pears, Tappers, Baguettes and Rose Cut, Round Brilliant, Pear Cut, Single Cut and Fancy Cut, Heart Cut, Emerald Cut, Trillion Cut.

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Most of the diamonds range from 0.05 cts to 0.60 cts and have got GIA, HRD and IGI certification.

In general, the subject's products bear the following specifications:

- Size: 0.01 to 5.00 cts.
- Colour: D, E, F, G, H, I, J & K
- Clarity: IF- I2
- Certificate: GIA: 0.30 ct plus, SI2 plus and also HRD

The subject's products are marketed in Hong Kong, China, and exported to Southeast Asia, Australasia, Japan, South Korea, India, the Middle East, North America, Taiwan, Western Europe, etc. India is one of its prime markets. However, its loose, cut and polished diamonds are chiefly imported from India, Belgium, North America, etc.

The subject's business is chiefly handled by V. C. Sheth himself. The subject is also a commission agent.

The subject has had the following two associated firms:-

- Dia Image Export
- Mayborne International Ltd. [Mayborne]

The two above-mentioned firms are registered in Hong Kong and acting as diamond traders. Mayborne is located at the same address.

The Managing Director of Mayborne is Mr. Vijay Sheth who is likely to be a family member of V. C. Sheth. Mayborne is exporting fine jewellery, abrasive materials, and synthetic diamond powder to India. Vijay Sheth can be reached at his mobile phone 852-9078 0124. He is also the Contact Person of the subject.

Dia Image Export is also owned and operated by V. C. Sheth.

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.

The history of the subject in Hong Kong is over 14 years and nine months.

On the whole, consider it good for normal business engagements.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.91
UK Pound	1	INR 90.84
Euro	1	INR 80.42
HKD	1	INR 9.05

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	NIT

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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)