

MIRA INFORM REPORT

Report No. :	528863
Report Date :	06.09.2018

IDENTIFICATION DETAILS

Name :	GEMDIAM
Registered Office :	Flat B, 14/F., Hody Commercial Building, 6-6A Hart Avenue, Tsimshatsui, Kowloon
Country :	Hongkong
Date of Incorporation :	11.07.2001
Com. Reg. No.:	31914929-000-07
Legal Form :	Partnership
Line of Business :	Importer and exporter of all kinds of diamonds and jewellery products, emerald, precious stones.
No. of Employees :	4. (Including Affiliates)

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:

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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

GEMDIAM

ADDRESS: Flat B, 14/F., Hody Commercial Building, 6-6A Hart Avenue, Tsimshatsui, Kowloon, Hong Kong.

PHONE: 852-2375 0030

FAX: 852-2730 2300

E-MAIL: info@gemdiamhk.com

MANAGEMENT

Manager: Mr. Arun Jain

SUMMARY

Establishment: 11th July, 2001.

Organization: Partnership.

Capital: Not disclosed.

Business Category: Diamond Trader.

Annual Turnover: HK\$50~100 million.

Employees: 4. (Including affiliates)

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

Banking Relation: Satisfactory.

ADDRESS

Head Office:-

Flat B, 14/F., Hody Commercial Building, 6-6A Hart Avenue, Tsimshatsui, Kowloon, Hong Kong.

Associated Companies:-

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Aarya Creation, Hong Kong. (Same address)
Gehna Collections, India.
Gemstar, India.
Green Gems Japan Co. Ltd., Japan.
Green Gems, Hong Kong. (Same address)
Napra Gems BVBA, Belgium.
Paras Gottam & Co., India.

BUSINESS REGISTRATION NUMBER

31914929-000-07

MANAGEMENT

Manager: Mr. Arun Jain
Contact Person: Mr. Parfful Surana

PARTNERS

Name: Mr. Arun JAIN
Residential Address: Flat F, 12/F., Hilton Tower, 96 Granville Road, Tsimshatsui East, Kowloon, Hong Kong.

Name: Ms. Sweta JAIN
Residential Address: Flat F, 12/F., Hilton Tower, 96 Granville Road, Tsimshatsui East, Kowloon, Hong Kong.

HISTORY

The subject was established on 11th July, 2001 as a partnership concern jointly owned by Mr. Manish Sacheti and Mr. Arun Jain under the Hong Kong Business Registration Regulations.

The following table shows the changes of the partners:-

Name	Incoming Date	Outgoing Date
Mr. Manish Sacheti	11-07-2001	01-04-2012
Mr. Arun Jain	11-07-2001	---
Ms. Sweta Jain	01-04-2012	---

Initially the subject was located at Flat B, 8/F., Hong Sun Building, 45-47 Carnarvon Road, Tsimshatsui, Kowloon, Hong Kong, moved to Room 1701, 17/F., Hart Avenue Plaza, 5-9 Hart Avenue Road, Tsimshatsui, Kowloon, Hong Kong in March 2002, and further moved to the present address in October 2009.

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

OPERATIONS

Activities: Importer and Exporter.
Lines: All kinds of diamonds and jewellery products, emerald, precious stones
Employees: 4. (Including affiliate)
Commodities Imported: India, Belgium, other European countries, US, etc.
Markets: Hong Kong, China, Japan, India, other Asian countries, etc.
Annual Turnover: HK\$50~100 million.
Terms/Sales: COD, L/C, T/T, etc.
Terms/Buying: L/C, T/T, D/P, etc.

MEMBERSHIP

International Colored Gemstone Association

FINANCIAL INFORMATION

Capital: Not disclosed.
Profit or Loss: Making a profit every year.
Condition: Business is normal.
Facilities: Making rather active use of general banking facilities.
Payment: Slow but Correct.
Commercial Morality: Satisfactory.
Banker: The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong.
Standing: Normal.

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GENERAL

Gemdiam is a partnership jointly owned by two India merchants, namely, Mr. Arun Jain and Ms. Sweta Jain. The latter joined in as a partner on 1st June, 2002. Sweta Jain and Arun Jain are Hong Kong ID Card holders and have got the right to reside in Hong Kong.

Business commenced in July 2001, the subject is a leading manufacturer, importer, and exporter of precious and semi-precious stones.

The subject had been awarded for 'outstanding export performance' of cut and polished stones by the export Promotion Council of India consecutively for three years. Now, it is still leading the competitive market with good performance.

The subject supplies gems to the fine and prestigious jewellery manufacturers and retailers worldwide. It is also a leading supplier of emeralds from Zambia, Columbia, Brazil, Pakistan and Afghanistan. It is stoking Ruby, Sapphire, Diamond and other semi-precious stones in considerably large quantities.

Its main products are as follow:

- Emerald
- Ruby
- Sapphire
- Diamonds
- Tourmaline
- Aquamarine
- Calibrated Stones

Many of the finished products and polished diamonds are marketed in Hong Kong, China, exported or re exported to Japan, India and the other Asian countries, the Middle East, Europe, etc. Business has been active.

The subject has got a number of regular suppliers in India.

The following two India companies are the subject's main suppliers:

- Paras Gottam & Co.; &
- Gehna Collection's.

The subject shares the operating office with another two firms, namely, Green Gems and Aarya Creations, both are Hong Kong-registered companies. Aarya Creations offers precious stones studded 18K gold jewellery products. Aarya Creations are jointly owned by Arun Jain, Surana Sodhit and Ms. Sweta Jain.

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

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 1-C11.

The annual sales turnover of the subject and its associate ranges from HK\$50 to 100 million. Business is chiefly handled by Sweta Jain and Arun Jain themselves. The contact person is Mr. Parful Surana.

On the whole, as the history of the subject in Hong Kong is about seventeen years, consider it good for normal business engagements.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.75
UK Pound	1	INR 92.22
Euro	1	INR 83.13
HKD	1	INR 9.16

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)