

## MIRA INFORM REPORT

Report No. :	528862
Report Date :	06.09.2018

### IDENTIFICATION DETAILS

Name :	H.K. GEMS & DIAMONDS
Registered Office :	Flat A, 15/F., Windsor Mansion, 29-31 Chatham Road South, Tsimshatsui, Kowloon
Country :	Hong Kong
Date of Incorporation :	25.02.1997
Com. Reg. No.:	20678528-000-02
Legal Form :	Partnership.
Line of Business :	Importer, exporter and wholesaler of all kinds of diamonds and jewellery products, emerald, precious stones.
No. of Employees :	2

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow but Correct
Litigation :	Clear

### NOTES:

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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**

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

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### 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

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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

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## **COMPANY NAME AND ADDRESS**

### **H.K. GEMS & DIAMONDS**

**ADDRESS:** Flat A, 15/F., Windsor Mansion, 29-31 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.

**PHONE:** 852-2367 6747, 2366 4226

**FAX:** 852-2367 2798

**E-MAIL:** [hkgd@hotmail.com](mailto:hkgd@hotmail.com)

## **MANAGEMENT**

**Manager:** Mr. Ajay Gandhi

## **SUMMARY**

**Establishment:** 25th February, 1997.

**Organization:** Partnership.

**Capital:** Not disclosed.

**Business Category:** Diamond Trader.

**Annual Turnover:** HK\$50~100 million.

**Employees:** 2.

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

**Banking Relation:** Satisfactory.

## **ADDRESS**

### **Head Office:-**

Flat A, 15/F., Windsor Mansion, 29-31 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong.

## **BUSINESS REGISTRATION NUMBER**

20678528-000-02

## **MANAGEMENT**

Manager: Mr. Ajay Gandhi

## **PARTNERS**

Name: Mr. Ajay GANDHI  
Residential Address: Flat B, 12/F., Alpha House, 27-33 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.

Name: Mr. Anshu RANKA  
Residential Address: 35 Waitee Lane, Silom Road, Bangrak, Bangkok, Thailand.

## **HISTORY**

The subject was established on 25th February, 1997 as a partnership concern jointly owned by Mr. Ajay Gandhi and Mr. Surender Kumar Saini under the Hong Kong Business Registration Regulations.

The following table shows the changes of the partners:-

<b>Name</b>	<b>Incoming Date</b>	<b>Outgoing Date</b>
Ajay GANDHI	25-02-1997	---
Surender Kumar SAINI	25-02-1997	31-03-2002
Saket DAGA	01-04-2002	31-08-2002
Rishab CHANDALIYA	01-09-2002	30-11-2008
Anshu RANKA	01-12-2008	---

Initially the subject was located at Flat B, 12/F., Alpha House, 27-33 Nathan Road, Tsimshatsui, Kowloon, Hong Kong, moved to Flat B, 8/F., Hang Wan Building, 42-44 Granville Road, Tsimshatsui, Kowloon, Hong Kong in July 1997; to Flat D, 6/F., Lising Court, 34-36 Granville Road, Tsimshatsui, Kowloon, Hong Kong in May 1998; to Room 1609, 16/F., Rise Commercial Building, 5-11 Granville Circuit, Tsimshatsui, Kowloon, Hong Kong in January 2001; to Flat D, 11/F., Comfort Building, 86-88 Nathan Road, Tsimshatsui, Kowloon, Hong Kong in December 2001; to Room 1204-1206, 12/F., Rise Commercial Building, 5-11 Granville Circuit, Tsimshatsui, Kowloon, Hong Kong in September 2006; moved to Flat H, 5/F., Windsor Mansion, 29-31 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong in April 2009, and further to Flat A, 15/F. of the same building in November 2011.

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 diamonds and jewellery products, emerald, precious stones.
Employees:	2.
Commodities Imported:	India, Thailand, Belgium, other European countries, US, etc.
Markets:	Hong Kong, Japan, Southeast Asia, Europe, Middle East, US, etc.
Annual Turnover:	HK\$50~100 million.
Terms/Sales:	CAD, L/C, T/T, etc.
Terms/Buying:	L/C, T/T, D/P, Advanced payments, etc.

## **FINANCIAL INFORMATION**

Capital:	Not disclosed.
Profit or Loss:	Made small profits in the past years.
Condition:	Keeping in a normal manner.
Facilities:	Adequate for current running.
Payment:	Slow but Correct.
Commercial Morality:	Satisfactory.
Bankers:-	The Hongkong & Shanghai Banking Corp. Ltd., Hong Kong. Hang Seng Bank Ltd., Hong Kong.
Standing:	Normal.

## **GENERAL**

H.K. Gems & Diamonds is a partnership jointly owned by Mr. Ajay Gandhi and Mr. Anshu Ranka. Both of whom are India merchants while the former has been in Hong Kong for a very long time. Now, the latter is a Hong Kong ID holder. His registered address is in Bangkok, Thailand, but most of the time he is in Hong Kong.

The subject moved to the present address in November 2011 where is in a residential building. The residential building is not trespassed by outsiders.

The subject is a diamond importer, exporter and wholesaler. It is trading in loose diamonds, loose sapphire stone, loose ruby stone, cut and polished ruby, cut and polished sapphire, cut and polished emerald, precious stones, ruby jade, gem sets, semi-precious stones, blue or coloured sapphire, Tanzanite, Burma Ruby, white diamond jewellery, jewellery with precious stones, etc. However, loose diamonds are the main products of the subject.

Commodities are imported from India, Thailand, Belgium, other European countries, etc. Finished products and polished diamonds are marketed in Hong Kong, China and exported or re-exported to Japan, the other Asian countries, the United States, Germany, the United Kingdom, Canada, etc. Business is normal.

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 9-H40.

It also 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 2nd to 6th March, 2018. Its booth No. was 3FE24.

The subject's business is chiefly handled by Mr. Ajay Gandhi himself.

The annual sales turnover of the subject ranges from HK\$50 to 100 million. Making a small profit every year. However, its profit margin is usually low.

Since the history of the subject in Hong Kong is over 21 years and three months, on the whole, consider it good for normal business engagements.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.75
UK Pound	1	INR 92.23
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 :	VIV
Report Prepared by :	TRU

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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)