

MIRA INFORM REPORT

Report No. :	520864.2
Report Date :	24.07.2018

IDENTIFICATION DETAILS

Name :	DOMOG INTERNATIONAL LLC
Registered Office :	157/3, 18th Khoroom Enkhtaivan Avenue Ern Songinokhairkhan District Trn 18080, Ulaanbaatar
Country :	Mongolia
Financials (as on) :	2017 (Summarized)
Date of Incorporation :	17.12.2011
Legal Form :	Limited Corporation
Line of Business :	Registered to operate import, export and distribution of goods, mineral resources and equipment
No. of Employees :	50

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 :	No Complaints
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)
Mongolia	B2	B2

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

MONGOLIA - ECONOMIC OVERVIEW

Foreign direct investment in Mongolia's extractive industries – which are based on extensive deposits of copper, gold, coal, molybdenum, fluorspar, uranium, tin, and tungsten - has transformed Mongolia's landlocked economy from its traditional dependence on herding and agriculture. Exports now account for more than 40% of GDP. Mongolia depends on China for more than 60% of its external trade - China receives some 90% of Mongolia's exports and supplies Mongolia with more than one-third of its imports. Mongolia also relies on Russia for 90% of its energy supplies, leaving it vulnerable to price increases. Remittances from Mongolians working abroad, particularly in South Korea, are significant.

Soviet assistance, at its height one-third of GDP, disappeared almost overnight in 1990 and 1991 at the time of the dismantlement of the USSR. The following decade saw Mongolia endure both deep recession, because of political inaction, and natural disasters, as well as strong economic growth, because of market reforms and extensive privatization of the formerly state-run economy. The country opened a fledgling stock exchange in 1991. Mongolia joined the WTO in 1997 and seeks to expand its participation in regional economic and trade regimes.

Growth averaged nearly 9% per year in 2004-08 largely because of high copper prices globally and new gold production. By late 2008, Mongolia was hit by the global financial crisis and Mongolia's real economy contracted 1.3% in 2009. In early 2009, the IMF reached a \$236 million Stand-by Arrangement with Mongolia and it emerged from the crisis with a stronger banking sector and better fiscal management. In October 2009, Mongolia passed long-awaited legislation on an investment agreement to develop the Oyu Tolgoi (OT) mine, among the world's largest untapped copper-gold deposits. However, a dispute with foreign investors developing OT called into question the attractiveness of Mongolia as a destination for foreign investment. This caused a severe drop in FDI, and a slowing economy, leading to the dismissal of Prime Minister Norovyn ALTANKHUYAG in November 2014. The economy had grown more than 10% per year between 2011 and 2013 - largely on the strength of commodity exports and high government spending - before slowing to 7.8% in 2014, and falling to the 2% level in 2015. Growth rebounded from a brief 1.6% contraction in the third quarter of 2016 to 5.8% during the first three quarters of 2017, largely due to rising commodity prices.

The May 2015 agreement with Rio Tinto to restart the OT mine and the subsequent \$4.4 billion finance package signing in December 2015 stemmed the loss of investor confidence. The current government has made restoring investor trust and reviving the economy its top priority, but has failed to invigorate the economy in the face of the large drop-off in foreign direct investment, mounting external debt, and a sizeable budget deficit. Mongolia secured a \$5.5 billion financial assistance package from the IMF and a host of international creditors in May 2017, which is expected to improve Mongolia's long-term fiscal and economic stability as long as Ulaanbaatar can advance the agreement's difficult contingent reforms, such as consolidating the government's off-balance sheet liabilities and rehabilitating the Mongolian banking sector.

Source : CIA

COMPANY NAME

Registered Name: **DOMOG INTERNATIONAL LLC**
Requested Name: **DOMOG INTERNATIONAL LLC**
Other Names: **None**

ADDRESS AND TELECOMMUNICATION

Physical Address: 157/3, 18th Khoroom Enkhtaivan Avenue Ern
Songinokhairkhan District Trn 18080
Ulaanbaatar,
Country: Mongolia
Phone: 976-99109555/75756262
Fax: 976-99109555
Email: Import@teso.mn
Website: www.teso.mn

CREDIT OPINION

Financial Index as of December 2017 shows subject firm with a medium risk of credit. However, bank and credit information obtained reveal a history of prompt payments.

LEGAL

Legal Form: Limited Corporation
Date Incorporated: 17-Dec-2011
Reg. Country: Mongolia
Nominal Capital: MNT. 1,000,000
Subscribed Capital: MNT. 1,000,000
Subscribed Capital is Subscribed in the following form:

	Position	Shares
Mr. O.Damjin	Chairman	
Mr. Munkhjargal Battumur	CEO	
Mr. Ch.Amarzayaa	COO	
Mr. O.Naranbat	Director	
Teso Group	Holding Co.	100%

RELATED COMPANIES

None	Parent company.
None	Subsidiary company.
CENTRAL ASIAN ROAD LLC, ICEMARK, AGI, MILKO, TESO CONSTRUCTION, HUNNU CONCRETE, GAN DRILLING, TESO PROPERTIES, ASIAN ROAD.	Affiliated companies.
None	Shareholder of subject firm.
None	Branches of the firm

OPERATIONS

Registered to operate import, export and distribution of goods, mineral resources and equipment

Imports:	Various worldwide such as USA, China, Russia, New Zealand, Malaysia, Indonesia, Singapore, Poland, Germany, Australia, India, Vietnam etc
Exports:	None
Trademarks:	None
Terms of sale:	Cash (40%) and 25-90 days (60%), invoices.

Main Customers:	Local agencies, stores, outlets, firms and organizations
Employees:	50 employees.
Vehicles:	Several motor vehicles.
Territory of sales:	Mongolia
Location:	Leased premises, 10,000 square feet,

AUDITORS AND INSURANCE

Auditors:	Information not available.
Insurance Brokers:	Information not available.

FINANCE

Currency Reported: Mongolian Tugrik (MNT)
Fiscal Year End: December 31, 2017

Inflation: According to information given by independent sources, the inflation at December 31st, 2017 was of 13%.

Financial Information not Submitted

Profit and Loss (expressed in MNT.)

	2016	2017
Sales	4,250,000,000	4,890,000,000

BANK

Bank Name: Golomt Bank
Branch: Mongolia
Comments: None

TRADE REFERENCES

Experiences: Good

NOTARIAL BONDS: None

COMMENTS / ADDITIONAL INFORMATION

This information was obtained from outside sources other than the subject company itself and confirmed the above subject.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.83
UK Pound	1	INR 89.93
Euro	1	INR 80.12
MNT	1	INR 0.027

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	KET

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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)