

MIRA INFORM REPORT

Report No. :	542643
Report Date :	30.11.2018

IDENTIFICATION DETAILS

Name :	NONGKYUNG CO., LTD.
Registered Office :	894-32, Chogeu-ro, Deoksan-Myeon, Jincheon-Gun, Chungcheongbuk-Do, Korea 27851
Country :	South Korea
Financials (as on) :	30.06.2018
Date of Incorporation :	20.05.1997
Com. Reg. No.:	301-81-30328
Legal Form :	Co., Ltd by Shares
Line of Business :	Manufacture, Wholesales and Retails of Other Fertilizers and Nitrogen Compounds [Soil, Fertilizers, Materials for Agriculture]
No. of Employees :	51

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 (30.06.2018)	Current Rating (30.09.2018)
South Korea	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

SOUTH KOREA - ECONOMIC OVERVIEW

After emerging from the 1950-53 war with North Korea, South Korea emerged as one of the 20th century's most remarkable economic success stories, becoming a developed, globally connected, high-technology society within decades. In the 1960s, GDP per capita was comparable with levels in the poorest countries in the world. In 2004, South Korea's GDP surpassed one trillion dollars.

Beginning in the 1960s under President PARK Chung-hee, the government promoted the import of raw materials and technology, encouraged saving and investment over consumption, kept wages low, and directed resources to export-oriented industries that remain important to the economy to this day. Growth surged under these policies, and frequently reached double-digits in the 1960s and 1970s. Growth gradually moderated in the 1990s as the economy matured, but remained strong enough to propel South Korea into the ranks of the advanced economies of the OECD by 1997. These policies also led to the emergence of family-owned chaebol conglomerates such as Daewoo, Hyundai, and Samsung, which retained their dominant positions even as the government loosened its grip on the economy amid the political changes of the 1980s and 1990s.

The Asian financial crisis of 1997-98 hit South Korea's companies hard because of their excessive reliance on short-term borrowing, and GDP ultimately plunged by 7% in 1998. South Korea tackled difficult economic reforms following the crisis, including restructuring some chaebols, increasing labor market flexibility, and opening up to more foreign investment and imports. These steps lead to a relatively rapid economic recovery. South Korea also began expanding its network of free trade agreements to help bolster exports, and has since implemented 16 free trade agreements covering 58 countries—including the United State and China—that collectively cover more than three-quarters of global GDP.

In 2017, the election of President MOON Jae-in brought a surge in consumer confidence, in part, because of his successful efforts to increase wages and government spending. These factors combined with an uptick in export growth to drive real GDP growth to more than 3%, despite disruptions in South Korea's trade with China over the deployment of a US missile defense system in South Korea.

In 2018 and beyond, South Korea will contend with gradually slowing economic growth - in the 2-3% range - not uncommon for advanced economies. This could be partially offset by efforts to address challenges arising from its rapidly aging population, inflexible labor market, continued dominance of the chaebols, and heavy reliance on exports rather than domestic consumption. Socioeconomic problems also persist, and include rising inequality, poverty among the elderly, high youth unemployment, long working hours, low worker productivity, and corruption.

Source : CIA

BASIC INFORMATION

Company Name	NONGKYUNG CO., LTD. (Korean Company Name : "(주)농경")
Registered Address	894-32, Chogeum-Ro, Deoksan-Myeon, Jincheon-Gun, Chungcheongbuk-Do, Korea
Building	
Zip Code	27851
Tel	+82-43-537-1425~6
Fax	+82-43-537-4135
E-mail	il3453@naver.com
Website	www.nongkyung.com
Trading Address	894-32, Chogeum-ro, Deoksan-myeon, Jincheon-gun, Chungcheongbuk-do, Korea (Old Address System : 275-3, Yongmong-ri, Deoksan-myeon, Jincheon-gun, Chungcheongbuk-do, Korea)
Tel	+82-43-537-1425~6
Fax	+82-43-537-4135
Other Address-Boryeong Branch	742, Youngbo-ri, Ocheon-myeon, Boryeong-si, Chungcheongnam-do, Korea
Tel	
Fax	
Type	Export/Import
Industry	Manufacture, Wholesales and Retails of Other Fertilizers and Nitrogen Compounds
Main Business	Soil, Fertilizers, Materials for Agriculture
Sub Business	
Established (mm/dd/yyyy)	05/20/1997

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Chemical fertilizers and plant nutrients(10171600)
Sell	Inorganic compounds(12352300)
Sell	Soil(11111501)

CEO'S

Name	Koo Ja-Kyun
Date of Birth	03/23/1976
Title	President & CEO
Nationality	Korean

PROFILES

Capital (KRW)	1,070,865,000
Employees	51
Formation	Co., Ltd by Shares
Bank Details	NH Nonghyup Bank Industrial Bank of Korea KEB Hana Bank
Corporate Registered No.	154311-0005676
Business Registered No.	301-81-30328
Permit & Licenses	N/A
Shareholder Position	

Name	Shares	%
KOO JA-KYUN	71,161	33.23
LEE YOUNG-BOON	48,000	22.41
KOO CHANG-HOI	36,677	17.12
OTHERS	58,335	27.24
TOTAL	214,173	100.00

Company History	05/20/1997 Incorporated as the present name 11/17/2014 Increased capital to 1,070,865,000 KRW from 600,000,000 KRW 11/17/2014 Acquired DAHAM CO., LTD.(154311-0018322)
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DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Koo Ja-Kyun	Korean	03/23/1976	03/29/2018
Director	Koo Chang-Hoi	Korean	04/19/1946	03/29/2018
Director	Lee Jung-Il	Korean	08/20/1960	03/29/2018
Auditor	Kim Nak-Woon	Korean	06/19/1964	03/29/2018

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
06/2018	27,232,567,180	29,571,685,118	-1,143,009,166
06/2017	27,992,863,562	30,395,866,567	20,128,155
06/2016	28,479,764,870	30,929,045,430	-262,689,213
06/2015	28,459,463,672	27,558,142,251	430,484,923
06/2014	29,479,773,699	23,690,492,153	202,933,607

FINANCIAL DESCRIPTION

Authorized Capital(KRW)	2,000,000,000
Paid-Up Capital(KRW)	1,070,865,000
Total Issued Shares	214,173

Balance Sheet

Unit : Korean Won	As of 06/30/2018	As of 06/30/2017	As of 06/30/2016
Total Assets	29,571,685,118	30,395,866,567	30,929,045,430
Current Assets	15,622,563,731	15,795,572,552	17,852,189,946
-Quick Assets	13,351,630,984	13,225,325,944	16,030,180,338
-Inventories	2,270,932,747	2,570,246,608	1,822,009,608
Fixed Assets	13,949,121,387	14,600,294,015	13,076,855,484
-Investment	2,944,666,992	3,027,468,094	1,206,325,654
-Tangibles	9,247,736,031	9,366,245,065	9,424,028,503
-Intangibles	1,541,548,364	1,796,410,856	1,993,641,327
-Others	215,170,000	410,170,000	452,860,000
Total Liabilities	17,025,365,991	16,638,411,274	17,191,718,292
Current Liabilities	13,412,679,578	14,178,380,036	15,056,731,649
Fixed Liabilities	3,612,686,413	2,460,031,238	2,134,986,643
Capital Stock	1,070,865,000	1,070,865,000	1,070,865,000
Capital Surplus	4,910,180,220	4,910,180,220	4,910,180,220
Profit Surplus	6,565,273,907	7,776,410,073	7,756,281,918
Capital Adjustment			
Total Equity	12,546,319,127	13,757,455,293	13,737,327,138
Liab. & Shareholder's Equity	29,571,685,118	30,395,866,567	30,929,045,430
Current Liabilities	13,412,679,578	14,178,380,036	15,056,731,649
Trade Payables	795,879,507	907,595,031	1,019,240,861
Account Payables	26,952,272	12,087,826	23,065,415
Withholdings	245,550,270	30,942,020	9,408,070
Advance Receipts	46,116,091	68,730,071	47,700,661
Short-Term Borrowings	8,361,000,000	9,091,000,000	8,881,000,000
Accrued Expenses	3,389,270,212	2,709,485,088	2,917,716,642
Accrued Income Tax	40,211,226	-	-
Current Portion of Long-Term Debts	507,700,000	1,358,540,000	2,158,600,000
Fixed Liabilities	3,612,686,413	2,460,031,238	2,134,986,643
Long-Term Borrowings	2,950,000,000	1,807,700,000	1,466,240,000
Provision for Severance & Retirement	655,946,413	645,591,238	662,206,643
Sales Guarantee Deposit	6,540,000	6,540,000	6,540,000
Leasehold Deposit Received	200,000	200,000	-

Income Statement

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Unit : Korean Won	As of 06/30/2018	As of 06/30/2017	As of 06/30/2016
Sales	27,232,567,180	27,992,863,562	28,479,764,870
Cost of Sold Goods	18,635,654,828	19,100,552,420	18,346,573,071
Gross Profit	8,596,912,352	8,892,311,142	10,133,191,799
Selling & Admin. Expenses	8,526,984,681	8,337,038,195	9,860,230,734
Operating Income	69,927,671	555,272,947	272,961,065
Non-Operating Income	182,695,044	160,494,051	133,981,071
Non-Operating Expenses	1,354,586,975	693,788,511	636,193,942
Income Before Taxes	-1,101,964,260	21,978,487	-229,251,806
Income Taxes Expenses	41,044,906	1,850,332	33,437,407
Net Income	-1,143,009,166	20,128,155	-262,689,213

Cash Flows

Unit : Korean Won	As of 06/30/2018	As of 06/30/2017	As of 06/30/2016
Cash Flows from Operating	-2,806,895,275	-670,341,593	73,700,854
-Net Income	-1,143,009,166	20,128,155	-262,689,213
-Exp. without Cash Outflow	3,070,364,185	1,346,919,441	1,337,100,283
-Revenue without Cash Inflows	-	-14,569,555	-18,200,025
-Changes in Asset/ & Liability	-4,734,250,294	-2,022,819,634	-982,510,191
Cash Flows from Investing	-373,090,465	-2,678,286,477	-3,873,726,352
-Cash Inflow from Investing	203,917,527	115,735,455	2,690,487,000
-Cash Outflows for Investing	-577,007,992	-2,794,021,932	-6,564,213,352
Cash Flows from Financing	-506,667,000	-248,400,000	3,497,143,000
-Cash Inflows from Financing	11,310,000,000	7,320,200,000	13,475,690,000
-Cash Outflows from Financing	-11,816,667,000	-7,568,600,000	-9,978,547,000
Increase/Decrease in Cash	-3,686,652,740	-3,597,028,070	-302,882,498
Cash at the Beginning of Year	4,286,371,623	7,883,399,693	8,186,282,191
Cash at the End of Year	599,718,883	4,286,371,623	7,883,399,693

***PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION***

Main Products & Services Soil, Fertilizers, Materials for Agriculture
Detailed Products Spec.
Technologies Acquired

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TRADE PARTNERS & COMPETITORS

Not Available

RELATED PARTIES (SUBSIDIARIES, JOINT-VENTURE & AFFILIATES)

Affiliates	MUSHGRO CO., LTD.(154311-0036374) (33.33% held by the subject company)
	ECO-FRIENDLY ENVIRONMENT CO., LTD.(KOREA) (100.00% held by the subject company)
Major Shareholders Cooperative Enterprise	-Insured Company HANWHA GENERAL INSURANCE CO., LTD.(110111-0006456)

SALES BY REGION (ACTIVITY & MARKETS)

Not Available.

COURT ACTION

No Records.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.92
UK Pound	1	INR 89.74
Euro	1	INR 79.58
KRW	1	INR 0.062

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

INFORMATION DETAILS

Analysis Done by :	NIY
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)