

MIRA INFORM REPORT

Report No. :	535988
Report Date :	23.10.2018

IDENTIFICATION DETAILS

Name :	BIRLA CARBON KOREA CO., LTD.
Formerly Known As :	COLUMBIAN CHEMICALS KOREA CO., LTD.
Registered Office :	46-101, Yeosusandan 2-Ro, Yeosu-si, Jeollanam-do, 59611
Country :	South Korea
Financials (as on) :	31.03.2018
Date of Incorporation :	15.01.1999
Com. Reg. No.:	417-81-17746
Legal Form :	Co., Ltd by shares
Line of Business :	Manufacture of Other Basic Inorganic Chemicals, Carbon Black
No. of Employees :	82

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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

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NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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	BIRLA CARBON KOREA CO., LTD. (Ex. Company Name : COLUMBIAN CHEMICALS KOREA CO., LTD.)
Registered Address	46-101, Yeosusandan 2-ro, Yeosu-si, Jeollanam-do, Korea
Building	
Zip Code	59611
Tel	+82-61-688-3333
Fax	+82-61-688-3315
E-mail	koh@columbianchemicals.com
Website	www.columbianchemicals.com
Trading Address	46-101, Yeosusandan 2-ro, Yeosu-si, Jeollanam-do, Korea (Old Address System : 1-3, Wolha-dong, Yeosu-si, Jeollanam-do, Korea)
Tel	+82-61-688-3346
Fax	+82-61-688-3348
Other Address-Seoul	7FL., Taewoo Bldg., 285, Gangnam-daero, Seocho-gu, Seoul, Korea
Branch	(Old Address System : 7FL., Taewoo Bldg., 1357-10, Seocho-dong, Seocho-gu, Seoul, Korea)
Tel	+82-2-557-2662 +82-2-2186-1676
Fax	+82-2-557-5362
Type	Export/Import
Industry	Manufacture of Other Basic Inorganic Chemicals
Main Business	Carbon Black
Sub Business	
Established (mm/dd/yyyy)	01/15/1999

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Carbon black(12171603)

CEO'S

Name	Sanjiv Sude
Date of Birth	07/30/1962
Title	President & CEO
Nationality	Indian

PROFILES

Capital (KRW)	69,206,000,000
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Employees	82		
Formation	Co., Ltd by shares		
	Foreign Direct Investment Corporation		
Bank Details	Citibank, Korea		
	Gwangju Bank		
	Shinhan Bank		
	KEB Hana Bank		
Corporate Registered No.	206211-0014593		
Business Registered No.	417-81-17746		
Permit & Licenses	Int'l Trade No.: 11600583		
Shareholder Position	Name	Shares	%
	COLUMBIAN INTERNATIONAL CHEMICALS CORPORATION(CICC, USA)	5,882,510	85.00
	KOREA KUMHO PETRO CHEMICAL CO., LTD.(110111-0205975)	1,038,090	15.00
	TOTAL	6,920,600	100.00
Company History	01/15/1999 Incorporated as COLUMBIAN CHEMICALS KOREA CO., LTD.		
	01/16/1999 Registered as a Foreign Direct Investment Corporation		
	07/01/2018 Changed company name to the present name		

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
President & CEO	Sanjiv Sude	Indian	07/30/1962	02/07/2012
Director	Lee Chang-Hoon	Korean	08/12/1949	11/27/2006
Director	Song Yoo-Sun	Korean	05/28/1965	01/18/2017
Director	Lim Woong-Dae	Korean	01/22/1966	03/25/2011
Auditor	Jefri Scott Hanson	USA	06/26/1964	07/31/2015

Financials

Year / Unit : KRW	Sales	Assets	Net Income
03/2018	173,771,613,638	149,096,321,293	29,549,929,626
03/2017	138,192,689,708	147,784,522,424	29,287,180,092
03/2016	136,961,735,541	151,550,613,375	40,392,186,090
03/2015	181,930,109,089	141,403,890,502	33,306,081,596
03/2014	192,052,435,633	134,654,486,152	25,743,834,397
03/2013	47,754,140,847	121,969,097,611	8,057,032,227
12/2012	222,475,984,196	132,628,911,035	30,334,767,840
12/2011	230,955,817,299	146,947,944,601	25,907,888,780
12/2010	196,993,663,736	140,358,023,066	27,774,969,592
12/2009	155,398,727,525	135,261,187,866	21,994,502,042

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12/2008	171,434,156,164	125,500,327,800	24,781,201,951
12/2007	123,964,159,296	115,429,685,490	17,187,188,101
12/2006	106,615,911,232	107,292,091,971	12,525,956,624
12/2005	94,470,955,038	104,941,738,968	8,757,115,740
12/2004	90,686,557,154	89,865,069,993	368,887,071

FINANCIAL DESCRIPTION

Authorized Capital(KRW)	250,000,000,000
Paid-Up Capital(KRW)	69,206,000,000
Total Issues Shares	6,920,600

Balance Sheet

Unit : Korean Won	As of 03/31/2018	As of 03/31/2017	As of 03/31/2016
Total Assets	149,096,321,293	147,784,522,424	151,550,613,375
Current Assets	69,774,330,675	64,826,623,879	124,653,031,406
-Quick Assets	51,730,581,753	50,456,951,846	117,024,059,103
-Inventories	18,043,748,922	14,369,672,033	7,628,972,303
Fixed Assets	79,321,990,618	82,957,898,545	26,897,581,969
-Investment	56,575,258,500	59,158,895,040	1,292,934,460
-Tangibles	21,456,119,937	22,291,310,747	23,784,366,870
-Intangibles	337,022,416	539,235,866	741,449,316
-Others	953,589,765	968,456,892	1,078,831,323
Total Liabilities	24,741,087,109	19,849,670,883	16,909,765,558
Current Liabilities	24,686,337,109	19,797,920,883	16,861,015,558
Fixed Liabilities	54,750,000	51,750,000	48,750,000
Capital Stock	69,206,000,000	69,206,000,000	69,206,000,000
Capital Surplus			
Profit Surplus	55,149,234,184	58,728,851,541	65,434,847,817
Capital Adjustment			
Total Equity	124,355,234,184	127,934,851,541	134,640,847,817
Liab. & Shareholder's Equity	149,096,321,293	147,784,522,424	151,550,613,375
Current Liabilities	24,686,337,109	19,797,920,883	16,861,015,558
Trade Payables	15,381,175,027	12,264,477,396	8,212,837,603
Withholdings	647,327,336	119,201,195	128,888,953
Advance Receipts	60,753,359	9,866,318	66,959,793
Account Payables	914,402,265	308,507,118	370,951,200
Accrued Expenses	2,767,938,280	2,825,270,988	2,601,569,499
Derivatives	8,050,481	-	
Accrued Income Tax	4,906,690,361	4,270,597,868	5,479,808,510
Fixed Liabilities	54,750,000	51,750,000	48,750,000
Long-Term Accrued Expenses	54,750,000	51,750,000	48,750,000

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Income Statement

Unit : Korean Won	As of 03/31/2018	As of 03/31/2017	As of 03/31/2016
Sales	173,771,613,638	138,192,689,708	136,961,735,541
Cost of Sold Goods	120,122,423,099	86,901,902,828	82,321,006,640
Gross Profit	53,649,190,539	51,290,786,880	54,640,728,901
Selling & Admin. Expenses	15,395,708,492	14,202,365,918	13,454,415,946
Operating Income	38,253,482,047	37,088,420,962	41,186,312,955
Non-Operating Income	5,256,636,840	3,870,500,928	5,613,468,498
Non-Operating Expenses	4,780,648,640	2,950,354,722	1,975,831,491
Income Before Taxes	38,729,470,247	38,008,567,168	44,823,949,962
Income Taxes Expenses	9,179,540,621	8,721,387,076	4,431,763,872
Net Income	29,549,929,626	29,287,180,092	40,392,186,090

Cash Flows

Unit : Korean Won	As of 03/31/2018	As of 03/31/2017	As of 03/31/2016
Cash Flows from Operating	31,557,694,701	24,979,799,164	52,953,993,905
-Net Income	29,549,929,626	29,287,180,092	40,392,186,090
-Exp. without Cash Outflow	7,967,002,649	6,640,642,169	5,835,312,481
-Revenue without Cash Inflows	-110,439,085	-24,009,103	-
-Changes in Asset/ & Liability	-5,848,798,489	-10,924,013,994	6,726,495,334
Cash Flows from Investing	-3,325,006,751	-62,199,758,859	24,982,442,308
-Cash Inflow from Investing	481,601,512	488,916,579	30,118,863,677
-Cash Outflows for Investing	-3,806,608,263	-62,688,675,438	-5,136,421,369
Cash Flows from Financing	-33,129,546,983	-35,993,176,368	-29,450,241,122
-Cash Inflows from Financing	310,000,000	-	-
-Cash Outflows from Financing	-33,439,546,983	-35,993,176,368	-29,450,241,122
Increase/Decrease in Cash	-4,896,859,033	-73,213,136,063	48,486,195,091
Cash at the Beginning of Year	18,742,425,240	91,955,561,303	43,469,366,212
Cash at the End of Year	13,845,566,207	18,742,425,240	91,955,561,303

**PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION**

Main Products & Services Carbon Black

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TRADE PARTNERS & COMPETITORS

Customers	KUMHO TIRE CO., INC.(110111-2810590) KUMHO PETRO CHEMICAL CO., LTD.(110111-0205975)
Competitors	NANJING KUMHO TIRE CO., LTD.(CHINA) 418 HEYAN ROAD NANJING JIANGSU 210038 P.R.C. CHINA EVONIK CARBON BLACK KOREA CO., LTD. 350, WOLNAE-DONG, YEOSU-SI, JEOLLANAM-DO, KOREA TEL:+82-61-690-5114 FAX:+82-61-690-5280 OCI CO., LTD. 50, SOGONG-DONG, JUNG-GU, SEOUL, KOREA TEL:+82-2-727-9500 FAX:+82-2-773-0615 KYUNGWOO CORPORATION RM. 910, WOOLIM E-BIZ CENTER 2-CHA, 16, YANGPYEONG-DONG 3- GA, YEONGDEUNGPO-GU, SEOUL, KOREA TEL:+82-2-2164-8380 FAX:+82-2-2164-8384

RELATED PARTIES

(Subsidiaries, Joint-Venture & Affiliates)

Affiliates	COLUMBIAN CHEMICALS COMPANY COLUMBIAN CHEMICALS ACQUISITION LLC COLUMBIAN CHEMICALS BRAZIL LTDA CC HOLDCO (LUXEMBOURG) S.A.R.L. COLUMBIAN CARBON DEUTSCHLAND GMBH COLUMBIAN CHEMICAL CANADA LTD. SHANDONG HAIHUA CARBON BLACK CHEMICAL COMPANY LTD COLUMBIAN CHEMICALS (WEIFANG) HOLDINGS S.A.R.L. THAI CARBON BLACK PUBLIC CO., LTD. COLUMBIAN TISZAI CARBON LTD COLUMBIAN CARBON EUROPA SRL COLUMBIAN CHEMICALS JINNING
Corporate Ownership	ADITYA BIRLA GROUP COLUMBIAN INTERNATIONAL CHEMICALS CORPORATION(CICC, USA)
Major Shareholders	COLUMBIAN INTERNATIONAL CHEMICALS CORPORATION(CICC, USA)
Cooperative Enterprise	-Insured Company HYUNDAI MARINE & FIRE INSURANCE CO., LTD.(110111-0035893)

-Technology Exchange and License Agreement
COLUMBIAN INTERNATIONAL CHEMICALS CORPORATION(CICC,
USA)

SALES BY REGION (ACTIVITY & MARKETS)

The Subject exports to China.

COURT ACTION

No.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.30
UK Pound	1	INR 95.93
Euro	1	INR 84.57
KRW	1	INR 0.065

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	SYL

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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)