

MIRA INFORM REPORT

Report No. :	536628
Report Date :	25.10.2018

IDENTIFICATION DETAILS

Name :	AY HEAVY INDUSTRIES CO., LTD
Registered Office :	154-42, Gwanggyosan-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea, Rm.402, Kyonggi University, Business Center, 16227
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	07.07.2015
Com. Reg. No.:	189-81-00184
Legal Form :	Co., Ltd by Shares
Line of Business :	Manufacture, Wholesales and Retails of Civil Engineering and Similar Machine Equipment [Hydraulic Breaker, Compactor, Crusher, Auto Ripper]
No. of Employees :	3

RATING & COMMENTS

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

MIRA's Rating :	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 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	AY HEAVY INDUSTRIES CO., LTD.
Registered Address	154-42, Gwanggyosan-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea
Building	Rm.402, Kyonggi University, Business Center
Zip Code	16227
Tel	+82-31-893-8912
Fax	+82-31-893-8922
E-mail	ayinfo@ayheavy.com
Website	www.ayheavy.com
Trading Address	Rm.402, Kyonggi University, Business Center, 154-42, Gwanggyosan-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea (Old Address System : Rm.402, Kyonggi University, Business Center, 94-6 Mt, Iui-dong, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea)
Tel	+82-31-893-8912
Fax	+82-31-893-8922
Other Address	19, Sinwon-ro, Danwon-gu, Ansan-si, Gyeonggi-do, Korea (Old Address System : 1058-7, Singil-dong, Danwon-gu, Ansan-si, Gyeonggi-do, Korea)
Type	Export
Industry	Manufacture, Wholesales and Retails of Civil Engineering and Similar Machine Equipment
Main Business	Hydraulic Breaker, Compactor, Crusher, Auto Ripper
Sub Business	
Established (mm/dd/yyyy)	07/07/2015

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Crushers and breakers and grinders(20101700)
Sell	Rock breakers(20101711)
Sell	Heavy equipment components(22101700)

CEO'S

Name	Jung Kwang-II
Date of Birth	08/02/1971
Title	Representative Director
Nationality	Korean

PROFILES

Capital (KRW)	90,000,000
Employees	3
Formation	Co., Ltd by Shares
Bank Details	N/A
Corporate Registered No.	135811-0272880
Business Registered No.	189-81-00184
Permit & Licenses	N/A
Shareholder Position	N/A
Company History	07/07/2015 Incorporated as the present name 03/12/2016 Moved to the present HQ address from Rm.406, 4FL., Hanuri Bldg., Kyonggi University, 154-42, Gwanggyosan-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea (Old Address System : Rm.406, 4FL., Hanuri Bldg., 94-6 Mt, Iui-dong, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea) 07/03/2018 Increased capital to 90,000,000 KRW from 25,000,000 KRW

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Representative Director	Jung Kwang-II	Korean	08/02/1971	07/07/2018
Auditor	Lee Yong-Ha	Korean	11/28/1961	02/20/2018

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	213,528,000	323,595,000	90,394,000
2016	0	53,382,000	-91,713,000
2015	0	130,870,000	-14,685,000

Financial Description

Authorized Capital(KRW)	200,000,000
Paid-Up Capital(KRW)	90,000,000
Total Issued Shares	900,000

Balance Sheet

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	323,595,000	53,382,000	130,870,000

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Current Assets	99,716,000	48,504,000	129,392,000
-Quick Assets			
-Inventories			
Fixed Assets	223,878,000	4,878,000	1,478,000
-Investment			
-Tangibles			
-Intangibles			
Total Liabilities	314,599,000	134,780,000	120,555,000
Current Liabilities	314,599,000	134,780,000	120,555,000
Fixed Liabilities			
Capital Stock	25,000,000	25,000,000	25,000,000
Capital Surplus			
Profit Surplus	-16,005,000	-106,398,000	-14,685,000
Capital Adjustment			
Total Equity	8,995,000	-81,398,000	10,315,000
Liab. & Shareholder's Equity	323,595,000	53,382,000	130,870,000

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	213,528,000	0	0
Cost of Sold Goods	84,191,000	0	0
Gross Profit	129,337,000	0	0
Selling & Admin. Expenses	76,310,000	116,348,000	16,075,000
Operating Income	53,027,000	-116,348,000	-16,075,000
Non-Operating Income	40,996,000	27,452,000	1,825,000
Non-Operating Expenses	3,630,000	2,817,000	435,000
Income Before Taxes	90,394,000	-91,713,000	-14,685,000
Income Taxes Expenses	0	0	0
Net Income	90,394,000	-91,713,000	-14,685,000

**PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION**

Main Products & Services Hydraulic Breaker, Compactor, Crusher, Auto Ripper

TRADE PARTNERS & COMPETITORS

Competitors EVERDIGM CORP.
332-3, JANGGWAN-RI, JINCHEON-EUP, JINCHEON-GUN,
CHUNGCHEONGBUK-DO, KOREA
TEL:+82-43-530-3300 FAX:+82-43-530-3318

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SALES BY REGION (ACTIVITY & MARKETS)

Not Available.

COURT ACTION

Not Available.

NEWS CLIPPING

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.26
UK Pound	1	INR 95.05
Euro	1	INR 83.99
KRW	1	INR 0.064

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

INFORMATION DETAILS

Analysis Done by :	NIY
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)