

MIRA INFORM REPORT

Report No. :	528969
Report Date :	15.09.2018

IDENTIFICATION DETAILS

Name :	BAYASAKH KHULIJ LLC
Registered Office :	Bayasakh Group Building Namyanju Street, Bayanzurkh District, 14 Khoroo, Ulaanbaatar 13370
Country :	Mongolia
Financials (as on) :	31.12.2017
Date of Incorporation :	25.02.2013
Com. Reg. No.:	5677572
Legal Form :	Limited Liability Company
Line of Business :	Trading as importers, wholesalers and distributors of confectionery products, chips and juices.
No. of Employees :	58

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

Maximum Credit Limit :	USD 100,000
Status :	Satisfactory
Payment Behaviour :	No Complaints
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 (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

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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

EXECUTIVE SUMMARY

COMMERCIAL NAME	Bayasakh Khulij LLC		
BUILDING	Bayasakh Group Building		
STREET	Namyanju Street		
AREA	Bayanzurkh District, 14 Khoroo		
TOWN	Ulaanbaatar		
POST CODE	13370		
COUNTRY	Mongolia		
TELEPHONE	(976 70) 001 010 Mobile (976 88) 049 650		
FAX	(976 11) 462 227		
E-MAIL	bolormunkh@bayasakh.mn		
WEBSITE	www.bayasakh.mn		
ACTIVITIES	Trading as importers, wholesalers and distributors of confectionery products, chips and juices.		
EXECUTIVE	Tuya Damba	General Director	
WORKFORCE	58	09/09/2018	subject
ESTABLISHED YEAR	2013		
MAIN REGISTRATION NO.	5677572 (TAX NO.)		
LEGAL FORM	Limited Liability Company		
STATUS	Active		
REGISTERED CAPITAL	MNT	1,000,000	
CREDIT OPINION	We consider it is acceptable to deal with subject for MEDIUM amounts.		
MAXIMUM CREDIT	USD	100,000	

IDENTIFICATION

COMMERCIAL NAME	Bayasakh Khulij LLC
ALSO KNOWN AS	Bayasakh Khulij Co Ltd, Bayasakh Khulij XXK

PRINCIPAL PLACE OF BUSINESS

BUILDING	Bayasakh Group Building
STREET	Namyanju Street
AREA	Bayanzurkh District, 14 Khoroo
TOWN	Ulaanbaatar
POST CODE	13370
COUNTRY	Mongolia
COUNTRY CODE	MN
TELEPHONE	(976 70) 001 010 Mobile (976 88) 049 650

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FAX (976 11) 462 227
E-MAIL bolormunkh@bayasakh.mn
WEBSITE www.bayasakh.mn
PREMISES Administrative office
DESCRIPTION
TYPE OF OCCUPATION Owned

LEGAL DATA

ESTABLISHED YEAR 2013
INCORPORATION 25/02/2013
DATE
MAIN REGISTRATION 5677572 (TAX NO.)
NO.
C.R. NO. 9011387125 REGISTERED AT GENERAL AUTHORITY
FOR STATE
REGISTRATION
GENERAL
DEPARTMENT OF
TAXATION OF
MONGOLIA
TAX NO. 5677572 REGISTERED AT
issue date: 09/01/2014
REGISTRATION PLACE Ulaanbaatar
REGISTERED CAPITAL MNT 1,000,000
PAID-UP CAPITAL MNT 1,000,000
LEGAL FORM Limited Liability Company
OWNERSHIP TYPE Private
STATUS Active
STATUS DATE 09/09/2018

OWNERSHIP STRUCTURE

1. NAME Tuya Damba
RELATION TYPE Shareholder
SHARE PERCENTAGE 100%
NATIONALITY Mongolia
GENDER Female

HISTORY

BACKGROUND

Subject was established in Ulaanbaatar on 25 February 2013 and commenced operations in January 2014.

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WORKFORCE

KEY PERSONNEL

1.			POSITION
NAME	Tuya Damba		General Director
AUTHORISED SIGNATORY	Yes		
NATIONALITY	Mongolia		
GENDER	Female		
2.			POSITION
NAME	Bolormunkh Baatar		Head of Marketing and Foreign Relations Manager
NATIONALITY	Mongolia		
GENDER	Male		

WORKFORCE	PERIOD	NOTES
58	09/09/2018	subject

OPERATIONS

ACTIVITIES

ACTUAL ACTIVITIES	Trading as importers, wholesalers and distributors of confectionery products, chips and juices.
IMPORT COUNTRIES	Russia, Ukraine, Spain, Turkey, Poland, Moldova and South Korea.
EXPORT COUNTRIES	N/A
SUPPLIERS	Jake SA, Aksu Ltd, Siesta and Vita.

NACE CODE (REV. 2)	DESCRIPTION
4617	Agents involved in the sale of food, beverages and tobacco.

FACILITIES

Owned premises comprising administrative offices and storage facilities located at the heading as well as a warehouse unit located in Bayangol district in Ulaanbaatar.

GROUP PROFILE

GROUP NAME	Bayasakh group
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GROUP COMPANIES

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RELATED COMPANIES

1. NAME	Bayasakh Urguu Co., Ltd
RELATION TYPE	Affiliate
TOWN	Ulaanbaatar
COUNTRY	Mongolia
COUNTRY CODE	MN
2. NAME	Bayasakh Atlas Co., Ltd
RELATION TYPE	Affiliate
TOWN	Ulaanbaatar
COUNTRY	Mongolia
COUNTRY CODE	MN
3. NAME	Bayasakh Foods Co., Ltd
RELATION TYPE	Affiliate
TOWN	Ulaanbaatar
COUNTRY	Mongolia
COUNTRY CODE	MN
4. NAME	Bayasakh Building
RELATION TYPE	Affiliate
TOWN	Ulaanbaatar
COUNTRY	Mongolia
COUNTRY CODE	MN
5. NAME	Naran Zug Co., Ltd
RELATION TYPE	Affiliate
TOWN	Ulaanbaatar
COUNTRY	Mongolia
COUNTRY CODE	MN
6. NAME	Bayasakh Standard Co., Ltd
RELATION TYPE	Affiliate
TOWN	Ulaanbaatar
COUNTRY	Mongolia
COUNTRY CODE	MN
7. NAME	Bayasakh Trade Co LTD
RELATION TYPE	Affiliate
ADDRESS	Namyanju Street, Bayanzurkh District, 14th Khoroo
TOWN	Ulaanbaatar
COUNTRY	Mongolia
COUNTRY CODE	MN
TELEPHONE	(976 70) 001 010
REGISTRATION NO.	Tax No.: 2570394
8. NAME	Bayasakh International LLC

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RELATION TYPE Affiliate
ADDRESS Namyanju Street, Bayanzurkh District, 14th Khoroo
TOWN Ulaanbaatar
COUNTRY Mongolia
COUNTRY CODE MN
TELEPHONE (976 70) 001 010
REGISTRATION NO. Tax No.: 5677564

GENERAL INFORMATION

BANKERS

1. BANK NAME Trade and Development Bank of Mongolia
WEBSITE www.tdbm.mn

2. BANK NAME Golomt Bank of Mongolia
WEBSITE www.golomtbank.com

3. BANK NAME Khan Bank of Mongolia
WEBSITE www.khanbank.com

FINANCIAL INFORMATION

FINANCIAL YEAR 31-Dec
ENDS

SUBJECT COMPANY KEY FINANCIAL DATA

NOTES Private companies are not required to publish or disclose balance sheets. The subject interviewed offered the following information:

CURRENCY	MNT	MNT	MNT	USD	MNT
PERIOD ENDED	31/12/2018	30/06/2018	31/12/2017	31/12/2016	31/12/2015
LENTH OF PERIOD	12	6	12	12	12
RELIABILITY LEVEL	projected	estimated	estimated	estimated	estimated
TURNOVER	14000000000	7400000000	11400000000	10000000	20000000000
REMARKS	Net profit not given but stated to be 8% of the sales turnover.				

PAYMENT INFORMATION

MODE OF PAYMENT No complaints have been heard regarding payments from local suppliers or banks.
CREDIT OPINION We consider it is acceptable to deal with subject for MEDIUM amounts.
MAXIMUM CREDIT USD 100,000
OPINION

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SECTION REMARKS It is normal accepted practice for international suppliers to deal on secured terms with the local buyers.

SPECIAL REMARKS

INTERVIEWED Bolormunkh Baatar
PERSON
REMARKS ON GIVEN The company name which you provided is incorrect. For the subject's correct
NAME registered name refer to "IDENTIFICATION" (COMMERCIAL NAME) section.
REMARKS ON GIVEN The address given by you is misspelt. For the correct spelling of the subject's address
ADDRESS refer to "PRINCIPAL PLACE OF BUSINESS" section.
NOTE DESCRIPTION OF RELIABILITY LEVELS IN FINANCIAL INFORMATION SECTION:
ACTUAL - Figures are acquired from official sources.
ESTIMATED - Figures are acquired directly from subject company.
PROJECTED - Figures are the assumptions of current/next financial period.
MODELLED - Figures are derived from sector averages.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.81
UK Pound	1	INR 94.15
Euro	1	INR 83.97
MNT	1	INR 0.03

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	DNS

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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)