

MIRA INFORM REPORT

Report No. :	530230
Report Date :	20.09.2018

IDENTIFICATION DETAILS

Name :	NEXT MEBEL LLC
Registered Office :	Bayangol District, Ulaanbaatar
Country :	Mongolia
Financials (as on) :	31.12.2017
Date of Incorporation :	01.07.2010
Com. Reg. No.:	9011240118
Legal Form :	Limited Liability Company
Line of Business :	Trading as importers, wholesalers, retailers and distributors of kitchen ware as well as home and office furniture.
No. of Employees :	40

RATING & COMMENTS

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

MIRA's Rating :

B

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Maximum Credit Limit :	USD 40, 000
Status :	Moderate
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES:

Any query related to this report can be made on e-mail: 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

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	Next Mebel LLC		
BUILDING	TB Tower, 7th Floor		
STREET	Chinggis Avenue-6		
AREA	Khan Uul District, Stadium Orgil 1		
P.O. BOX	170-32		
TOWN	Ulaanbaatar		
POST CODE	17010		
COUNTRY	Mongolia		
TELEPHONE	(976 77) 771 540 Mobiles (976 99) 053 751 (Bolortuya Buyambadorj) / (976 99) 117 615 (Lkhamsuren Chuluunbold) / (976 99) 991 540 (Erdenezaya Chimeddorj) / (976 99) 154 243		
E-MAIL	bolortuya@nextelectronics.mn info@nextelectronics.mn / chuluunbold@nextelectronics.mn / erdenzaya@next.mn		
WEBSITE	www.nextgroup.mn		
ACTIVITIES	Trading as importers, wholesalers, retailers and distributors of kitchen ware as well as home and office furniture.		
EXECUTIVE	Lkhamsuren Chuluunbold	President	
WORKFORCE	40	19/09/2018	subject
ESTABLISHED YEAR	2010		
MAIN REGISTRATION NO.	5390605 (TAX NO.)		
LEGAL FORM	Limited Liability Company		
STATUS	Active		
REGISTERED CAPITAL	MNT	290,000,000	
CREDIT OPINION	We consider it is acceptable to deal with subject for SMALL amounts.		
MAXIMUM CREDIT	USD	40,000	

IDENTIFICATION

COMMERCIAL NAME	Next Mebel LLC
ALSO KNOWN AS	Next Mebel XXK, Next Mebel Co. Ltd

PRINCIPAL PLACE OF BUSINESS

BUILDING	TB Tower, 7th Floor
STREET	Chinggis Avenue-6
AREA	Khan Uul District, Stadium Orgil 1
P.O. BOX	170-32
TOWN	Ulaanbaatar
POST CODE	17010
COUNTRY	Mongolia

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COUNTRY CODE	MN
TELEPHONE	(976 77) 771 540 Mobiles (976 99) 053 751 (Bolortuya Buyambadorj) / (976 99) 117 615 (Lkhamsuren Chuluunbold) / (976 99) 991 540 (Erdenezaya Chimeddorj) / (976 99) 154 243
E-MAIL	bolortuya@nextelectronics.mn info@nextelectronics.mn / chuluunbold@nextelectronics.mn / erdenzaya@next.mn
WEBSITE	www.nextgroup.mn
PREMISES	Administrative office
DESCRIPTION	
TYPE OF	Owned
OCCUPATION	
REGISTERED	Bayangol District, Ulaanbaatar, Mangolia.
ADDRESS	

LEGAL DATA

ESTABLISHED YEAR	2010		
INCORPORATION	01/07/2010		
DATE			
MAIN REGISTRATION	5390605 (TAX NO.)		
NO.			
C.R. NO.	9011240118	REGISTERED AT	STATE REGISTRATION
TAX NO.	5390605	REGISTERED AT	OF LEGAL ENTITIES
			MONGOLIAN TAX
			ADMINISTRATION
REGISTRATION PLACE	issue date : 29/10/2010 Ulaanbaatar		
REGISTERED CAPITAL	MNT	290,000,000	
PAID-UP CAPITAL	MNT	290,000,000	
LEGAL FORM	Limited Liability Company		
OWNERSHIP TYPE	Private		
STATUS	Active		
STATUS DATE	19/09/2018		

OWNERSHIP STRUCTURE

1. NAME	Lkhamsuren Chuluunbold
RELATION TYPE	Shareholder
SHARE PERCENTAGE	100%
NATIONALITY	Mongolia
GENDER	Male

HISTORY

BACKGROUND

Subject was established in Ulaanbaatar on 1 July 2010, however origins of its business activities can be traced back to 2003.

WORKFORCE

KEY PERSONNEL

<p>1. NAME BOARD MEMBER AUTHORISED SIGNATORY NATIONALITY GENDER</p>	<p>Lkhamsuren Chuluunbold Yes Yes Mongolia Male</p>	<p>POSITION President</p>
<p>2. NAME NATIONALITY GENDER</p>	<p>Erdenezaya Chimeddorj Mongolia Male</p>	<p>POSITION Vice President / CEO</p>
<p>3. NAME NATIONALITY GENDER</p>	<p>Bolortuya Buyambadorj Mongolia Female</p>	<p>POSITION Head of Purchase Department</p>
<p>4. NAME NATIONALITY GENDER</p>	<p>Dashdaleg Erdentsetseg Mongolia Female</p>	<p>POSITION Purchasing Supervisor</p>
<p>WORKFORCE 40</p>	<p>PERIOD 19/09/2018</p>	<p>NOTES subject</p>

OPERATIONS

ACTIVITIES

ACTUAL ACTIVITIES	Trading as importers, wholesalers, retailers and distributors of kitchen ware as well as home and office furniture.
IMPORT COUNTRIES	Serbia, Ukraine, Russia, Poland, Malaysia and China.

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EXPORT COUNTRIES	N/A
NACE CODE (REV. 2)	DESCRIPTION
4615	Agents involved in the sale of furniture, household goods, hardware and ironmongery.
4647	Wholesale of furniture, carpets and lighting equipment.
4665	Wholesale of office furniture.
4759	Retail sale of furniture, lighting equipment and other household articles in specialised stores.

FACILITIES

Owned premises comprising administrative offices located at the heading address as well as 10 retail outlets located throughout Mongolia.

BRANCH OFFICES

1. NAME	Branch Office
ADDRESS	Nexr Plaze Center, 2nd Floor, Ard Ayush Avenue 15, Bayangol District, 13 Khoroo, 3 Khoroolol, PO Box 393
TOWN	Ulaanbaatar
COUNTRY	Mongolia
COUNTRY CODE	MN
TELEPHONE	(976 11) 361 543 / (976 70) 131 540

GROUP PROFILE

GROUP NAME	Next Group LLC	
GROUP WORKFORCE	PERIOD	NOTES
205	19/08/2018	group

GROUP COMPANIES

RELATED COMPANIES

1. NAME	Next Group LLC
RELATION TYPE	Parent Company
ADDRESS	Next Plaza Center, II Floor, Ayush Avenue 15, Bayangol District, 13 Khoroo, 3 Khoroolol, P.O. Box 393

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TOWN Ulaanbaatar
COUNTRY Mongolia
COUNTRY CODE MN
TELEPHONE (976 11) 361 543 / (976 70) 141 540
FAX (976 11) 361 543 ext. 211

2. NAME Next Motors LLC
RELATION TYPE Affiliate
TOWN Ulaanbaatar
COUNTRY Mongolia
COUNTRY CODE MN

3. NAME Next Electronics LLC
RELATION TYPE Affiliate
ADDRESS Next Plaza Center, II Floor, Ayush Avenue 15, Bayangol District, 13 Khoroo, 3
Khoroolol, P.O. Box 393
TOWN Ulaanbaatar
COUNTRY Mongolia
COUNTRY CODE MN
TELEPHONE (976 11) 361 543
FAX (976 11) 361 543 ext. 211
REGISTERED CAPITAL USD 4,000,000

4. NAME Next Properties LLC
RELATION TYPE Affiliate
TOWN Ulaanbaatar
COUNTRY Mongolia
COUNTRY CODE MN

GENERAL INFORMATION

BANKERS

1. BANK NAME Khan Bank Of Mongolia
WEBSITE www.khanbank.com

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

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

FINANCIAL INFORMATION

FINANCIAL YEAR ENDS 31-Dec

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	USD	MNT	MNT
PERIOD ENDED	31/12/2018	31/12/2017	31/12/2016	31/12/2015	31/12/2014
LENTH OF PERIOD	12	12	12	12	12
RELIABILITY LEVEL	projected	estimated	estimated	estimated	estimated
TURNOVER	6000000000	5000000000	3000000	4000000000	3638000000
NET PROFIT (LOSS)		300000000	300000000	300000000	265000000

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 SMALL amounts.
MAXIMUM CREDIT OPINION USD 40,000

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

SPECIAL REMARKS

INTERVIEWED PERSON Lkhamsuren Chuluunbold

REMARKS ON GIVEN ADDRESS NOTE The address given by you applies to subject's branch office address. For the subject's administrative office address refer to "PRINCIPAL PLACE OF BUSINESS" section.
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 72.68
UK Pound	1	INR 95.59
Euro	1	INR 84.91
MNT	1	INR 0.029

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	NIT

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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)