

MIRA INFORM REPORT

Report No. :	532210
Report Date :	27.09.2018

IDENTIFICATION DETAILS

Name :	DAESAN MACHINERY IND. CO., LTD.
Registered Office :	105, Haeankuk-Ro, Ganghwa-Eup, Ganghwa-Gun, Incheon, Korea, 23023
Country :	South Korea
Financials (as on) :	31.12.2017
Date of Incorporation :	06.11.1998
Com. Reg. No.:	139-81-38481
Legal Form :	Co., Ltd by Shares
Line of Business :	Manufacture and Wholesales of Working Machinery [Precision Surface Grinding Machine, High Precision Surface Grinder, Coolant System with Paper Filter & Separator, Oil Temperature Regulator, Dust Suction, Grinding Vise, Inclinal Magnetic Chuck]
No. of Employees :	29

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 :	No Complaints
Litigation :	Clear

NOTES :

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
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 joined the trillion-dollar club of world economies.

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	DAESAN MACHINERY IND. CO., LTD. (Korean Company Name : "대산기계공업(주)")
Registered Address	105, Haeanbuk-ro, Ganghwa-eup, Ganghwa-gun, Incheon, Korea
Building	
Zip Code	23023
Tel	+82-32-934-6500
Fax	+82-32-934-7552
E-mail	daesan@grindmachine.com
Website	www.grindmachine.com
Trading Address	105, Haeanbuk-ro, Ganghwa-eup, Ganghwa-gun, Incheon, Korea (Old Address System : 947, Yongjeong-ri, Ganghwa-Eup, Ganghwa-Gun, Incheon, Korea)
Tel	+82-32-934-6500
Fax	+82-32-934-7552
Other Address-Busan	Rm.7-220, 37, Gwaegam-ro, Sasang-gu, Busan, Korea
Branch	(Old Address System : Rm.7-220, 578, Gwaebeop-dong, Sasang-gu, Busan, Korea)
Tel	+82-51-319-3281
Fax	+82-51-319-3589
Type	Export/Import
Industry	Manufacture and Wholesales of Working Machinery
Main Business	Precision Surface Grinding Machine, High Precision Surface Grinder, Coolant System with Paper Filter & Separator, Oil Temperature Regulator, Dust Suction, Grinding Vise, Inclinable Magnetic Chuck
Sub Business	
Established (mm/dd/yyyy)	11/06/1998

DETAILED PRODUCTS

Activity	Detailed Products (UNSPSC)
Sell	Machine tools(23171600)
Sell	Workshop machinery and equipment and supplies(23170000)
Sell	Milling machines(23101513)
Sell	Grinding machines(23101506)

CEO'S

Name	Kim Kyung-Soo
Date of Birth	06/17/1965
Title	Co-President & CEO
Nationality	Korean

PROFILES

Capital (KRW)	50,000,000
Employees	29
Formation	Co., Ltd by Shares
Bank Details	Industrial Bank of Korea-Gimpo Daegot Branch
Corporate Registered No.	120111-0179128
Business Registered No.	139-81-38481
Permit & Licenses	Int'l Trade No.: 14050387
Shareholder Position	N/A
Company History	11/06/1998 Incorporated as the present name 11/06/2008 Moved to the present HQ address from 57, Daegotbuk-ro 403beon-gil, Daegot-myeon, Gimpo-si, Gyeonggi-do, Korea(Old Address System : 9-2, Seokjeong-ri, Daegot-myeon, Gimpo-si, Gyeonggi-do, Korea)

DETAILED INFORMATION

Management

Job Description	Name	Nationality	Date of Birth	Inauguration Date
Co-President & CEO	Kim Kyung-Soo	Korean	06/17/1965	12/30/2016
Co-President & CEO	Kim Kyung-Ae	Korean	07/10/1961	12/30/2016
Auditor	Han Hye-Jung	Korean	04/09/1989	12/30/2013

FINANCIALS

Year / Unit : KRW	Sales	Assets	Net Income
2017	5,550,633,000	6,575,847,000	247,757,000
2016	5,465,643,000	6,264,648,000	243,587,000
2015	4,504,934,000	6,010,999,000	193,214,000
2014	5,475,371,000	5,959,713,000	272,115,000
2013	5,497,028,000	5,670,212,000	289,022,000

FINANCIAL DESCRIPTION

Authorized Capital(KRW)	200,000,000
Paid-Up Capital(KRW)	50,000,000
Total Issued Shares	10,000

Balance Sheet

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Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Total Assets	6,575,847,000	6,264,648,000	6,010,999,000
Current Assets	4,145,621,000	3,789,475,000	3,515,729,000
-Quick Assets			
-Inventories			
Fixed Assets	2,430,226,000	2,475,173,000	2,495,270,000
-Investment			
-Tangibles			
-Intangibles			
Total Liabilities	2,975,264,000	2,900,294,000	2,890,232,000
Current Liabilities	550,483,000	441,513,000	397,451,000
Fixed Liabilities	2,424,781,000	2,458,781,000	2,492,781,000
Capital Stock	50,000,000	50,000,000	50,000,000
Capital Surplus	0	0	0
Profit Surplus	3,550,583,000	3,314,354,000	3,070,767,000
Capital Adjustment	0	0	0
Total Equity	3,600,583,000	3,364,354,000	3,120,767,000
Liab. & Shareholder's Equity	6,575,847,000	6,264,648,000	6,010,999,000

Income Statement

Unit : Korean Won	As of 12/31/2017	As of 12/31/2016	As of 12/31/2015
Sales	5,550,633,000	5,465,643,000	4,504,934,000
Cost of Sold Goods	4,845,151,000	4,753,310,000	3,912,663,000
Gross Profit	705,482,000	712,333,000	592,271,000
Selling & Admin. Expenses	353,674,000	363,817,000	309,940,000
Operating Income	351,808,000	348,516,000	282,331,000
Non-Operating Income	24,798,000	22,504,000	32,868,000
Non-Operating Expenses	95,612,000	95,548,000	98,799,000
Income Before Taxes	280,994,000	275,472,000	216,400,000
Income Taxes Expenses	33,237,000	31,885,000	23,186,000
Net Income	247,757,000	243,587,000	193,214,000

PRODUCTS, TECHNOLOGIES, SERVICES
DESCRIPTION

Main Products & Services	Precision Surface Grinding Machine, High Precision Surface Grinder, Coolant System with Paper Filter & Separator, Oil Temperature Regulator, Dust Suction, Grinding Vise, Inclinable Magnetic Chuck
Detailed Products Spec. Technologies Acquired	

TRADE PARTNERS & COMPETITORS

Customers
Competitors

DONGYANG INDUSTRIAL MACHINERY CO., LTD.
166B-10L, NAMDONG INDUSTRIAL COMPLEX, 735-9, GOJAN-DONG,
NAMDONG-GU, INCHEON, KOREA
TEL:+82-32-812-6096~8 FAX:+82-32-813-6096

ILWOO INDUSTRIAL MACHINERY CO., LTD.
389-1, SINPYEONG-RI, SINBUK-MYEON, POCHON-SI, GYEONGGI-
DO, KOREA
TEL:+82-31-533-6392 FAX:+82-31-531-1763

KNF HEAVY INDUSTRIES CO., LTD.
103-37, NAMSAN-DONG, GEUMJEONG-GU, BUSAN, KOREA
TEL:+82-51-515-7823 FAX:+82-51-518-3637

RELATED PARTIES (SUBSIDIARIES, JOINT- VENTURE & AFFILIATES)

Not Available

SALES BY REGION (ACTIVITY & MARKETS)

Not Available.

COURT ACTION

Not Available.

NEWS CLIPPING

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.72
UK Pound	1	INR 95.77
Euro	1	INR 85.54
KRW	1	INR 0.065

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

INFORMATION DETAILS

Analysis Done by :	VIV
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)