

## MIRA INFORM REPORT

<b>Report No. :</b>	523551
<b>Report Date :</b>	09.08.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	KALANTARYAN FAMILY CJSC
<b>Registered Office :</b>	Davit Beka Street 83/12, Yerevan 0089
<b>Country :</b>	Armenia
<b>Financials (as on) :</b>	30.06.2018
<b>Date of Incorporation :</b>	17.08.2015
<b>Com. Reg. No.:</b>	278.120.868721
<b>Legal Form :</b>	Closed Joint Stock Company
<b>Line of Business :</b>	Trading as importers and distributors of motor oil.
<b>No. of Employees :</b>	15

**RATING & COMMENTS**

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

**MIRA's Rating :**

B

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

<b>Maximum Credit Limit :</b>	DRAM 1,500,000
<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	Clear

**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto: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)
Armenia	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

**ARMENIA - ECONOMIC OVERVIEW**

Under the old Soviet central planning system, Armenia developed a modern industrial sector, supplying machine tools, textiles, and other manufactured goods to sister republics, in exchange for raw materials and energy. Armenia has since switched to small-scale agriculture and away from the large agro industrial complexes of the Soviet era. Armenia has only two open trade borders - Iran and Georgia - because its borders with Azerbaijan and Turkey have been closed since 1991 and 1993, respectively, as a result of Armenia's ongoing conflict with Azerbaijan over the separatist Nagorno-Karabakh region.

Armenia joined the World Trade Organization in January 2003. The government has made some improvements in tax and customs administration in recent years, but anti-corruption measures have been largely ineffective. Armenia will need to pursue additional economic reforms and strengthen the rule of law in order to raise its economic growth and improve economic competitiveness and employment opportunities, especially given its economic isolation from Turkey and Azerbaijan.

Armenia's geographic isolation, a narrow export base, and pervasive monopolies in important business sectors have made it particularly vulnerable to volatility in the global commodity markets and the economic challenges in Russia. Armenia is particularly dependent on Russian commercial and governmental support, as most key Armenian infrastructure is Russian-owned and/or managed, especially in the energy sector. Remittances from expatriates working in Russia are equivalent to about 12-14% of GDP. Armenia joined the Russia-led Eurasian Economic Union in January 2015, but has remained interested in pursuing closer ties with the EU as well, signing Comprehensive and Enhanced Partnership Agreement with the EU in November 2017. Armenia's rising government debt is leading Yerevan to tighten its fiscal policies – the amount is approaching the debt to GDP ratio threshold set by national legislation.

Source : CIA

## **COMPANY NAME**

Kalantaryan Family CJSC (Correct)  
ZAO KALANTARYAN FAMILY (Requested)

## **ADDRESS**

Street : Davit Beka Street 83/12  
Town : Yerevan 0089  
Country : Armenia  
Mobile : (374 91) 007 019 (Deputy Managing Director)  
E-Mail : deputydirector@gtargroup.am  
English Translation : Kalantaryan Family Closed Joint Stock Company  
Also known as : Kalantaryan Family ZAO

## **SENIOR COMPANY PERSONNEL**

<b>Name</b>	<b>Position</b>
1. Gagik Armenovich Kalantaryan	Managing Director
2. Martin Sarkisyan	Deputy Managing Director
Total Employees :	15

## **PAYMENTS**

No complaints have been heard regarding payments from local suppliers or banks.

We consider it is acceptable to deal with subject for SMALL amounts, although it is normal accepted practice for international suppliers to deal on secured terms with Armenian importers.

Opinion on maximum credit : DRAM 1,500,000

Trade risk assessment: Normal

## **PRINCIPAL BANKERS**

NAME : ARMBUSINESSBANK CJSC

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Branch : Nalbandyan Street 48  
Town : Yerevan 0010  
Telephone: (374 10) 592 000  
Fax : (374 10) 592 064

## **FINANCIAL INFORMATION**

Balance Sheets as at 30 June 2018 showed :

	31/12/2017	30/06/2018
	(in thousands of DRAM)	
<b>Non-Current Assets</b>		
Fixed assets	-	28,440
Tangible assets	985	1,985
Other non-current assets	9,415	9,415
Total Non-Current Assets	10,400	39,840
<b>Current Assets</b>		
Goods	40,912.1	21,312.9
Current deposits	248	5,784.4
Accounts receivable due to partners	13,030.6	35,097.7
Accounts receivable due to state budget	4,149.3	6,375.3
Cash	6,042.9	22,293.6
Other current assets	-	3,048.3
Total Current Assets	64,382.9	93,912.2
Total Assets	74,782.9	133,752.2
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Other equity elements	3,357.6	19,719.9
Total Equity	3,357.6	19,719.9
<b>Long-Term Liabilities</b>		
Long-term loans	9,639.2	8,294.2
<b>Current Liabilities</b>		
Received loans	50,815	52,273.2
Accounts payable to partners	9,088.9	41,635.4
Received advance payments	600.0	600.0
Accounts payable to state budget	1,274.2	10,282.7
Accounts payable to state budget due to mandatory social security payments	8.0	15.0
Accounts payable to staff	-	931.8
Total Current Liabilities	61,786.1	105,738.1
Total Equity and Liabilities	74,782.9	133,752.2

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Income Statement

	30/06/2017	30/06/2018
	(in thousands of DRAM)	
Revenue	14,204.4	53,059.7
Cost of sales	(8,907.8)	(32,624.8)
Gross profit	5,296.6	20,435.0
Sales expenses	-	(228.5)
Administrative expenses	(2,093.2)	(3,103.6)
Total income (loss) from sales of services, Products and goods	3,203.4	17,102.9
Other operating expenses	(13.0)	(216.1)
Operating profit	3,190.4	16,886.8
Financial expenses	-	(607.7)
Other non-operating profit (loss)	3.1	83.2
Profit (loss) before income tax	3,193.5	16,362.3
Net profit for the period	3,193.5	16,362.3

Historical Profit and Loss Account

Revenue	: DRAM 61,449,700 - 2017 - exact *
	: DRAM 53,059,700 - 2018 - exact **
Net Profit	: DRAM 3,322,600 - 2017 - exact
	: DRAM 16,362,300 - 2018 - exact **

\* First 11 months of operations (February – December).

\*\* 6 months results (January - June).

Financial year ends 31 December.

## **LEGAL STATUS AND HISTORY**

Date Started :	17 August 2015
History :	The subject company was established in Yerevan on 17 August 2015 and commenced operations in February 2017.
C.R. No. :	278.120.868721
Tax No.:	00467244
Authorised Capital :	DRAM 100,000
Paid-Up Capital :	DRAM 100,000

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Closed Joint Stock Company with the following sole shareholder :

Armen Kalantaryan 100%  
(father of Mr. Gagik Armenovich Kalantaryan)

Affiliated company of the subject company :

**Associate**

Gajagorts CJSC  
Yerevan

## ***ACTIVITIES***

The Company is involved in the following activities :

Trading as importers and distributors of motor oil.

NACE Code: 4690

Imports from Poland.

Subject does not export, all sales are domestic.

Distributors for Castrol and Lotos.

## ***FACILITIES***

The Company has the following facilities :

Rented premises comprising administrative offices and storage facilities located at the heading address.

## ***REGISTERED OFFICE***

Davit Beka Street 83/12  
Yerevan 0089

## ***SPECIAL NOTE***

The tax number which you provided: 0467244 is incorrect. Please note that the correct tax number is as per heading.

Interviewed: Martin Sarkisyan (Deputy Managing Director).

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.65
UK Pound	1	INR 88.82
Euro	1	INR 79.72
AMD	1	INR 0.14

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIY
<b>Report Prepared by :</b>	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)