

IRA INFORM REPORT

Report No. :	526409
Report Date :	30.08.2018

IDENTIFICATION DETAILS

Name :	SAFETY PLUS MMC
Registered Office :	Haci Qahramanli Stq., Shirvan AZ1804
Country :	Azerbaijan
Date of Incorporation :	14.05.2018
Legal Form :	Limited Liability Company
Line of Business :	Trading as importers, wholesalers and retailers of floor, wall coverings and building materials.
No. of Employees :	16

RATING & COMMENTS

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

MIRA's Rating :	NB
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Credit Rating	Explanation	Rating Comments
NB	New Business	No recommendation can be done due to business in infancy stage

Status :	New Business
Payment Behaviour :	Unknown
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

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Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Azerbaijan	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

AZERBAIJAN - ECONOMIC OVERVIEW

Prior to the decline in global oil prices since 2014, Azerbaijan's high economic growth was attributable to rising energy exports and to some non-export sectors. Oil exports through the Baku-Tbilisi-Ceyhan Pipeline, the Baku-Novorossiysk, and the Baku-Supsa Pipelines remain the main economic driver, but efforts to boost Azerbaijan's gas production are underway. The expected completion of the geopolitically important Southern Gas Corridor (SGC) between Azerbaijan and Europe will open up another source of revenue from gas exports. First gas to Turkey through the SGC is expected in 2018 with project completion expected by 2020-21.

Declining oil prices caused a 3.1% contraction in GDP in 2016, and a 0.8% decline in 2017, highlighted by a sharp reduction in the construction sector. The economic decline was accompanied by higher inflation, a weakened banking sector, and two sharp currency devaluations in 2015. Azerbaijan's financial sector continued to struggle. In May 2017, Baku allowed the majority state-owned International Bank of Azerbaijan (IBA), the nation's largest bank, to default on some of its outstanding debt and file for restructuring in Azerbaijani courts; IBA also filed in US and UK bankruptcy courts to have its restructuring recognized in their respective jurisdictions.

Azerbaijan has made limited progress with market-based economic reforms. Pervasive public and private sector corruption and structural economic inefficiencies remain a drag on long-term growth, particularly in non-energy sectors. The government has, however, made efforts to combat corruption, particularly in customs and government services. Several other obstacles impede Azerbaijan's economic progress, including the need for more foreign investment in the non-energy sector and the continuing conflict with Armenia over the Nagorno-Karabakh region. While trade with Russia and the other former Soviet republics remains important, Azerbaijan has expanded trade with Turkey and Europe and is seeking new markets for non-oil/gas exports - mainly in the agricultural sector - with Gulf Cooperation Council member countries, the US, and others. It is also improving Baku airport and the Caspian Sea port of Alat for use as a regional transportation and logistics hub.

Long-term prospects depend on world oil prices, Azerbaijan's ability to develop export routes for its growing gas production, and its ability to improve the business environment and diversify the economy. In late 2016, the president approved a strategic roadmap for economic reforms that identified key non-energy segments of the economy for development, such as agriculture, logistics, information technology, and tourism. In October 2017, the long-awaited Baku-Tbilisi-Kars railway, stretching from the Azerbaijani capital to Kars in north-eastern Turkey, began limited service.

Source : CIA

COMPANY NAME

SAFETY PLUS MMC

ADDRESS

Street : Binagadi Highway 78km

Area : Binagadi District

Town : Baku AZ1000

Country : Azerbaijan

Mobile : (994 55) 211 4545 (Commercial Director)

E-Mail : az.tarkett@yahoo.com

Extended Name : Safety Plus Mehdud Mesuliyetli Camiyyeti

English Translation : Safety Plus LLC

SENIOR COMPANY PERSONNEL

Name	Position
1. Damaddin Makharram Oglu Khasanov	Managing Director
2. Umut Kandarov	Commercial Director

Total Employees: 16

PAYMENTS

No trade experience of payments is available.

Subject is a newly-established business incorporated on 14 May 2018.

Opinion on maximum credit : As the subject has recently been established and has no financial or payment track record, we recommend dealing on fully secured terms.

It is normal accepted practice for international suppliers to deal on secured terms with Azerbaijani importers.

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PRINCIPAL BANKERS

NAME : KAPITAL BANK OJSC

Branch : Fuzuli Street 71

Town : Baku AZ1014

Telephone: (994 12) 598 1295

Fax : (994 12) 493 7905

FINANCIAL INFORMATION

As the Subject has only recently been established, relevant financial information is not available. However, the subject interviewed offered the following information:

Sales Turnover : NEW MANAT 800,000 - 2018 – projected *

Net Profit : Not given but stated to be 20% of the sales turnover

* First year of operations (14 May – December).

Financial year ends 31 December.

LEGAL STATUS AND HISTORY

Date Started : 14 May 2018

History : The subject company was established in Shirvan on 14 May 2018.

Tax No.: VOEN 2101030441

Authorised Capital : NEW MANAT 5

Paid-Up Capital : NEW MANAT 5

Mehdud Mesuliyetli Cemiyeti (limited liability company) with the following sole shareholder:

Damaddin Makharram Oglu Khasanov 100%

Affiliated company of the subject company :

Former Associate

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Lesko MMC

ACTIVITIES

The Company is involved in the following activities :

Trading as importers, wholesalers and retailers of floor, wall coverings and building materials.

NACE Code: 4613

Imports from Poland and Russia.

Subject does not export, all sales are domestic.

FACILITIES

The Company has the following facilities :

Rented office premises, a retail outlet and storage facilities located at the heading address as well as 4 retail outlets located elsewhere in Baku.

REGISTERED OFFICE

Haci Qahramanli Stq.
Shirvan AZ1804

GENERAL INFORMATION

As of 1 January 2006 the Government of Azerbaijan redenominated NEW MANAT. One NEW MANAT equals 5,000 old NEW MANATS.

SPECIAL NOTE

The address which you provided: HADJI GAHRAMANLI, 1804 SHIRVAN applies to subject's registered office address. Please note that subject's administrative office address is as per heading.

Interviewed: Umut Kandarov (Commercial Director).

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.50
UK Pound	1	INR 90.63
Euro	1	INR 82.34
AZN	1	INR 41.61

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

INFORMATION DETAILS

Analysis Done by :	VIV
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)