

## MIRA INFORM REPORT

<b>Report No. :</b>	546714
<b>Report Date :</b>	29.12.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	OBA RETAIL CHAIN LLC
<b>Registered Office :</b>	Building 25C, 9th Microdistrict, Sumqayit AZ5001
<b>Country :</b>	Azerbaijan
<b>Financials (as on) :</b>	31.12.2018 (Summarized)
<b>Date of Incorporation :</b>	17.06.2016
<b>Com. Reg. No.:</b>	2903885001
<b>Legal Form :</b>	Limited Liability Company
<b>Line of Business :</b>	<ul style="list-style-type: none"> <li>Operators of retail chain of hard-discount stores styled "Oba Retail".</li> <li>Trading as retailers of foodstuff, healthcare products, supermarket items and clothing.</li> </ul>
<b>No. of Employees :</b>	4400

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Maximum Credit Limit :</b>	1,000,000 USD
<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	Slow but Correct

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**MIRA INFORM PRIVATE LIMITED**  
605, Palmspring, Near D'Mart, Link Road,  
Malad (West), Mumbai - 400 064. INDIA  
Tel : 91-22-40448000 (44 lines)  
Fax : 91-22-40448045 / 40448046  
E-mail : mira@mirainform.com  
info@mirainform.com  
Website : http://www.mirainform.com  
http://www.miraglobalcheck.com  
http://www.miraglobalcollections.com

<b>Litigation :</b>	Clear
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**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.

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### **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

## **EXECUTIVE SUMMARY**

COMMERCIAL NAME	Oba Retail Chain LLC		
BUILDING	"Oba Retail Chain" Məhdud Məsuliyyətli Cəmiyyəti		
STREET	AGA Business Center, 2nd Floor		
AREA	Khojalı Avenue 55		
TOWN	Khatai District		
POST CODE	Baku		
COUNTRY	AZ1000		
TELEPHONE	Azerbaijan		
FAX	(994 12) 404 1236		
E-MAIL	(994 55) 515 1283 / (994 50) 204 0120 / (994 55) 215 9404		
ACTIVITIES	(994 12) 404 1236		
	fazil.abbasov@veyseloglu.az		
	info@retail.com / togrul.veliyev@oba.com.az		
	Operators of retail chain of hard-discount stores styled "Oba Retail".		
	Trading as retailers of foodstuff, healthcare products, supermarket items and clothing.		
EXECUTIVE WORKFORCE	Vusal Dilqam Oglu Amrakhov	Managing Director	
ESTABLISHED YEAR	4400	26/12/2018	subject
MAIN REGISTRATION NO.	2016		
LEGAL FORM	2903885001 (TAX NO.)		
STATUS	Limited Liability Company		
REGISTERED CAPITAL	Active		
CREDIT OPINION	AZN		
MAXIMUM CREDIT	100		
	We consider it is acceptable to deal with subject.		
	USD		
	1,000,000		

## **IDENTIFICATION**

COMMERCIAL NAME	Oba Retail Chain LLC
NAME IN THE LOCAL LANGUAGE	"Oba Retail Chain" Məhdud Məsuliyyətli Cəmiyyəti
TRADING STYLES	Oba
OTHER ALSO KNOWN NAME(S)	Oba Retail Chain MMC / Oba Retail Chain Mehduđ Mesuliyyətli Cəmiyyəti

## **PRINCIPAL PLACE OF BUSINESS**

BUILDING	AGA Business Center, 2nd Floor
STREET	Khojalı Avenue 55
AREA	Khatai District

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**OBA RETAIL CHAIN LLC - 546714**

**PAGE NO. : 5**

TOWN Baku  
POST CODE AZ1000  
COUNTRY Azerbaijan  
COUNTRY CODE AZ  
TELEPHONE (994 12) 404 1236  
(994 55) 515 1283 / (994 50) 204 0120 / (994 55) 215 9404  
FAX (994 12) 404 1236  
E-MAIL fazil.abbasov@veyseloglu.az  
info@retail.com / togrul.veliyev@oba.com.az  
PREMISES Administrative office  
DESCRIPTION  
TYPE OF OCCUPATION Rented  
REGISTERED ADDRESS Building 25C, 9th Microdistrict, Sumqayit AZ5001, Azerbaijan.

**LEGAL DATA**

ESTABLISHED YEAR 2016  
INCORPORATION 17/06/2016  
DATE  
MAIN REGISTRATION 2903885001 (TAX NO.)  
NO.  
TAX NO. 2903885001 REGISTERED AT MINISTRY OF TAXES  
OF THE REPUBLIC OF  
AZERBAIJAN  
REGISTRATION PLACE VOEN  
Sumqayit  
REGISTERED CAPITAL AZN 100  
PAID-UP CAPITAL AZN 100  
LEGAL FORM Limited Liability Company  
OWNERSHIP TYPE Private  
STATUS Active  
STATUS DATE 27/12/2018

**OWNERSHIP STRUCTURE**

1. NAME Aydin Veyselglu Talibov  
RELATION TYPE Shareholder  
SHARE PERCENTAGE 100%  
NATIONALITY Azerbaijan  
ID. NO. AZE No.: 05113051, issue date: 16/02/2006  
GENDER Male

## **WORKFORCE**

### KEY PERSONNEL

1.			<b>POSITION</b>
NAME	Vusal Dilqam Oglu Amrakhov		Managing Director
BOARD MEMBER	Yes		
AUTHORISED	Yes		
SIGNATORY			
NATIONALITY	Azerbaijan		
GENDER	Male		
2.			<b>POSITION</b>
NAME	Fazil Abbasov		Head of Treasure
NATIONALITY	Azerbaijan		Department Veyseloglu
GENDER	Male		Group
TELEPHONE	(994 50) 204 0120		
3.			<b>POSITION</b>
NAME	Togrul Veliyev		Import Manager
NATIONALITY	Azerbaijan		
GENDER	Male		
TELEPHONE	(994 55) 215 9404		

WORKFORCE	PERIOD	NOTES
4400	26/12/2018	subject
4000	09/11/2018	subject
2400	17/02/2018	subject

## **OPERATIONS**

### ACTIVITIES

ACTUAL ACTIVITIES	Operators of retail chain of hard-discount stores styled "Oba Retail".
IMPORT COUNTRIES	Trading as retailers of foodstuff, healthcare products, supermarket items and clothing. Turkey, Belarus and Russia.
EXPORT COUNTRIES	Subject does not export, all sales are domestic.
NACE CODE (REV. 2)	DESCRIPTION
4616	Agents involved in the sale of textiles, clothing, fur, footwear and leather goods.
4619	Agents involved in the sale of a variety of goods.

### FACILITIES

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Rented premises comprising administrative offices located at the heading address as well as a chain of 850 hard-discount stores with storage facilities located throughout Azerbaijan.

## **GROUP PROFILE**

GROUP NAME Veyseloglu Group of Companies

GROUP COMPANIES

## **RELATED COMPANIES**

Subject is a member of Veyseloglu Group of Companies, which includes the following companies:

1. NAME	Veyseloglu-Yaycili Qardashlar LLC Veyseloglu-Yaycili Qardashlar MMC			
RELATION TYPE	Associate			
ADDRESS	2nd Parallel Street 2, Keshli Vilage			
TOWN	Baku AZ1031			
COUNTRY	Azerbaijan			
COUNTRY CODE	AZ			
TELEPHONE	(994 12) 447 2660			
FAX	(994 12) 447 4011			
REGISTRATION DATE	26/04/2004			
REGISTRATION NO.	Tax No.: VOEN 0700007111			
LEGAL FORM	Limited Liability Company			
OWNERSHIP	1) Aydin Veyseloglu Talibov (41.65%); 2) Ilqar Veyseloglu Talibov (20.85%); 3) Ishak Muharrem Oglu Yaycili (20.00%); 4) Mehmet Alper Ishak Oglu Yaycili (17.50%).			
REGISTERED CAPITAL	AZN	4,500,000		
ACTIVITY	Producers of Ulduz chocolates.			
REVENUE	AZN	12,000,000	2016	estimated
NET PROFIT	AZN	1,800,000	2016	estimated
2. NAME	Araz Supermarket LLC Araz Supermarket MMC			
RELATION TYPE	Associate			
ADDRESS	AGA Business Center, 2nd Floor, Khojali Avenue 55, Khatai District			
TOWN	Baku AZ1000			
COUNTRY	Azerbaijan			
COUNTRY CODE	AZ			
TELEPHONE	(994 12) 404 1236 ext. 345 (HR Department) / ext. 302 (Chief Accountant) / 514 3030 ext. 2601 (Fazil Abbasov) / Mobile (994 55) 270 6966 / (994 50) 204 0120 (Fazil Abbasov)			

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FAX (994 12) 404 1236  
REGISTRATION DATE 06/01/2011  
REGISTRATION NO. Tax No.: VOEN 1001994141  
LEGAL FORM Limited Liability Company  
OWNERSHIP 1) Aydin Veyseloglu Talibov (80.5%);  
2) Ilqar Veyseloglu Talibov (10.0%);  
3) Bakhtiyar Allakhverdi (9.5%).  
REGISTERED CAPITAL AZN 20  
REVENUE AZN 208,656,075 2016 estimated  
NET PROFIT AZN 3,725,549 2016 estimated

3. NAME Tru Vega Invest Limited Azerbaijan Republic Branch  
"Tru Vega Invest Limited" Şirkətinin Azərbaycan Respublikasındaki Filiali  
RELATION TYPE Associate  
ADDRESS Z. Mammedov Street 2 (aka 2-ci Enine Street 2 / Vtoraya Parallelnaya Street 2 / 2nd  
Parallel Street 2)  
TOWN Baku AZ1029  
COUNTRY Azerbaijan  
COUNTRY CODE AZ  
TELEPHONE (994 12) 514 3030  
FAX (994 12) 514 3636  
E-MAIL fazil.abbasov@veyseloglu.az / natavan.ibragimova@veyseloglu.az  
REGISTRATION DATE 18/04/2017  
REGISTRATION NO. 1304934841 (TAX NO.)  
LEGAL FORM Branch Of Limited Liability Company  
OWNERSHIP Tru Vega Invest Limited (100%), Hong Kong, China, Sole Shareholder: Aydin  
Veyseloglu Talibov (100%).  
REGISTERED CAPITAL not applicable

4. NAME Veyseloglu LLC  
Veyseloglu MMC  
RELATION TYPE Associate  
ADDRESS Z. Mammedov Street 2 (aka 2-ci Enine Street 2 / Vtoraya Parallelnaya Street 2 / 2nd  
Parallel Street 2), Nizami District, Keshle Village  
TOWN Baku AZ1029  
COUNTRY Azerbaijan  
COUNTRY CODE AZ  
TELEPHONE (994 12) 514 3030 ext. 2601 (Fazil Abbasov) / Mobile (994 50) 225 8757 (Ilqar  
Nuriyev) / (994 50) 225 3777 / (994 50) 225 7576 / (994 50) 204 0120 (Fazil Abbasov)  
FAX (994 12) 514 3636  
REGISTRATION DATE November 1994  
REGISTRATION NO. Tax No.: VOEN 0700159551  
LEGAL FORM Limited Liability Company  
OWNERSHIP 1) Aydin Veyseloglu Talibov (41.65% /Azerbaijani National / Identity No.: AZE No.  
05113051, issued on 16.02.2006);  
2) Ilqar Veyseloglu Talibov (20.85% / Azerbaijani National / Identity No.: AZE No.  
06696323, issued on 27.08.2008 / Brother of the above);  
3) Ishak Muharrem Oglu Yaycili (20.00% / Turkish National / Passport No.:  
TRT-T No. 083412 issued on 06.04.2007);

	4) Mehmet Alper Ishak Oglu Yaycili (17.50% / Turkish National / Passport No.: TRT-N No. 888898 issued on 24.07.2003 / Son of the above).			
REGISTERED CAPITAL	AZN		7,825,973	
ACTIVITY	Trading as importers, wholesalers and distributors of general merchandise including detergents, biscuits, chocolates, chewing gums, canned food, other confectionery items, juices, pasta, household chemicals and kid's hygiene products.			
REVENUE	AZN	200,000,000	2017	estimated
5. NAME	V-Trade LLC V-Trade MMC			
RELATION TYPE	Associate			
TOWN	Baku			
COUNTRY	Azerbaijan			
COUNTRY CODE	AZ			
LEGAL FORM	Limited Liability Company			
6. NAME	Babek Sirab OJSC Babek Sirab ASC			
RELATION TYPE	Associate			
ADDRESS	Babek District, Sirab Village			
TOWN	Nakhchivan AZ6721			
COUNTRY	Azerbaijan			
COUNTRY CODE	AZ			
REGISTRATION DATE	13/05/2003			
REGISTRATION NO.	Tax No.: VOEN 0300009581			
LEGAL FORM	Open Joint Stock Company			
OWNERSHIP	1) Mineral Sular "Sirab" LLC (99.4%) 2) 120 Undisclosed Individuals (0.6%)			
REGISTERED CAPITAL	AZN		1,720,748	
ACTIVITY	Bottlers of mineral water.			
WORKFORCE	160		28/09/2018	total
REVENUE	AZN	15,000,000	2017	estimated
NET PROFIT	AZN	1,200,000	2017	estimated

## **GENERAL INFORMATION**

### **BANKERS**

1. BANK NAME	PASHA BANK OJSC
WEBSITE	www.pashabank.az
2. BANK NAME	Kapital Bank OJSC
WEBSITE	www.kapitalbank.az
3. BANK NAME	VTB Bank (Azerbaijan) OJSC
WEBSITE	www.vtb.az

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## **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	AZN	AZN
PERIOD ENDED	31/12/2018	31/12/2017
LENTH OF PERIOD	12	12
RELIABILITY LEVEL	projected	estimated
TURNOVER	200000000	160000000
NET PROFIT (LOSS)		3500000

## **PAYMENT INFORMATION**

MODE OF PAYMENT Slow but Correct  
CREDIT OPINION We consider it is acceptable to deal with subject.  
MAXIMUM CREDIT USD 1,000,000  
OPINION

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

## **SPECIAL REMARKS**

INTERVIEWED PERSON Fazil Abbasov Head of Treasure Department Veyseloglu Group

REMARKS ON GIVEN NAME The company name which you provided is incorrect. For the subject's correct registered name refer to "IDENTIFICATION" (COMMERCIAL NAME) section.

REMARKS ON GIVEN ADDRESS The address given by you applies to subject's registered office address. For the subject's administrative office 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 69.98
UK Pound	1	INR 88.66
Euro	1	INR 80.18
AZN	1	INR 41.07

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

**INFORMATION DETAILS**

Analysis Done by :	VIV
Report Prepared by :	TRU

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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)