

MIRA INFORM REPORT

Report No. :	518035
Report Date :	09.07.2018

IDENTIFICATION DETAILS

Name :	VEYSELOGLU MMC
Formerly Known As :	VEYSELOGLU ISTEHSALAT KOMMERSIYA FIRMASI
Registered Office :	2-CI Enine Street 2, Nizami District, Baku AZ1029
Country :	Azerbaijan
Financials (as on) :	2018 [Approx. * - Summarized] * 5 months results (January - May).
Date of Incorporation :	November 1994
Com. Reg. No.:	1206-S4-739
Legal Form :	Limited Liability Company
Line of Business :	The company is involved in the following activities: 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.
No. of Employees :	3,000

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

Maximum Credit Limit :	NEW MANAT 4,000,000
Status :	Good

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Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : 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)
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 some non-export sectors also featured double-digit growth. 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 U.S. 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 from the agricultural sector, for example with Gulf Cooperation Council member countries, the US, and others. It is also improving the 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 implement 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 REPORT

CO. NAME : VEYSELOGLU MMC (CORRECT)
VEYSELOGLU MMC (WERSJA ANG VEYSELOGLU LLC) (REQUESTED)

ADDRESS

Street : Z. Mammedov Street 2 (aka 2-ci Enine Street 2 / Vtoraya Parallelnaya Street 2 / 2nd Parallel Street 2)
Area : Nizami District, Keshle Village
Town : Baku AZ1029 (formerly AZ1031)
Country : Azerbaijan
Telephone : (994 12) 514 3030 ext. 2601 (Fazil Abbasov) / Mobile (994 50) 225 8757 (Ilgar Nuriyev) / (994 50) 225 3777 / (994 50) 225 7576 / (994 50) 204 0120 (Fazil Abbasov)
Fax : (994 12) 514 3636
E-Mail : ilqar.nuriyev@veyseloglu.az / fazil.abbasov@veyseloglu.az / natavan.ibragimova@veyseloglu.az
Website : www.veyseloglu.az
Extended Name : Veyseloglu Mekhdud Mesuliatli Camiyeti
English Translation : Veyseloglu LLC
Formerly Known As : Veyseloglu Istehsalat Kommersiya Firmasi

SENIOR COMPANY PERSONNEL

Name	Position
1. Aydin Veyseloglu Talibov	President
2. Ilqar Veyseloglu Talibov	Vice President
3. Ilgar Nuriyev	Vice President / Finance
4. Bakhtiyar Adil Oglu Allahverdi	Managing Director
5. Fazil Abbasov	Head of Treasure Department Veyseloglu Group
6. Natavan Ibragimova	Financial Director
7. Aynur Karimova	Chief Accountant

Total Employees : 3,000

PAYMENTS

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

Subject is a large trade and distributing company which was founded in 1994. Formerly subject was acting as a wholesale center, but then it transformed to modern trade holding, which is well-known by its high service level.

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

Opinion on maximum credit : NEW MANAT 4,000,000

Trade risk assessment : Normal

PRINCIPAL BANKERS

NAME : PASHA BANK OJSC
Branch : Yusif Mammadaliyev Street 15
Town : Baku AZ1005
Telephone: (994 12) 496 5000
Fax : (994 12) 496 5010

The company also has an account with the following banks:

1. Yapi Kredi Bank (fmly Kocbank Azerbaijan JSB)
28 May Street 5
Baku AZ1000
Telephone: (994 12) 497 7795
Fax : (994 12) 497 0276
2. Kapital Bank OJSC
Fuzuli Street 71
Baku AZ1014
Telephone: (994 12) 598 1295
Fax : (994 12) 598 1295
3. Respublika Bank JSC
Khagani Street 21
Baku AZ1000
Telephone: (994 12) 598 0800
Fax : (994 12) 598 0880

Subject formerly had an account with:

1. Mugan Bank

3-Mikrorayon, Building 33, Office 1
Baku AZ1000
Telephone: (994 12) 448 2910 / (164) 20778
Fax : (994 12) 448 2910

2. International Bank of Azerbaijan
Nizami Avenue 67
Baku AZ1005
Telephone: (994 12) 498 1053 / 493 1842
Fax : (994 12) 493 4091 / 498 1158

FINANCIAL INFORMATION

Private companies in Azerbaijan are not required to publish or disclose balance sheets. However, the subject interviewed offered the following information :

Sales Turnover : NEW MANAT 150,000,000 – 2015 - approx
: NEW MANAT 180,000,000 – 2016 – approx
: NEW MANAT 200,000,000 – 2017 – approx
: NEW MANAT 120,000,000 – 2018 – approx *
: NEW MANAT 230,000,000 – 2018 – projected

Net Profit : Not given but stated to be 3-4% of the sales turnover

* 5 months results (January - May).

Financial year ends 31 December.

The following financial information applies to subject's affiliated company, Veyseloglu-Yaycili Qardashlar MMC (latest available) :

Sales Turnover : NEW MANAT 10,000,000 – 2015 – approx
: NEW MANAT 12,000,000 – 2016 - approx

Net Profit : NEW MANAT 1,800,000 – 2015 - approx
: NEW MANAT 1,800,000 – 2016 - approx

Financial year ends 31 December.

The following financial information applies to subject's affiliated company, Araz Supermarket MMC (latest available) :

Sales Turnover : NEW MANAT 137,634,808 – 2015 – exact
: NEW MANAT 208,656,075 - 2016 – exact

Net Profit : NEW MANAT 2,490,445 – 2015 – exact

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: NEW MANAT 3,725,549 – 2016 – exact

Value of current contracts : NEW MANAT 180,000,000 (as of December 2017)

Total Value of Stock Held : NEW MANAT 26,322,499 (as of December 2017)

Total Invested Capital : NEW MANAT 24,900,000 (as of December 2017)

Financial year ends 31 December.

The following financial information applies to subject's affiliated company, Oba Retail Chain MMC :

Sales Turnover : NEW MANAT 160,000,000 - 2017 – exact
: NEW MANAT 200,000,000 – 2018 – projected

Net Profit : NEW MANAT 3,500,000 – 2017 – exact

Financial year ends 31 December.

LEGAL STATUS AND HISTORY

Date Started : November 1994

History : The subject company was established in Baku in November 1994 as Veyseloglu Istehsalat Kommersiya Firmasi (Production & Commercial Firm) on the basis of Bifa Company in business since 1992. On 22 May 2006, subject changed its legal status into a limited liability company (MMC) with Baxtiyar Adil Oglu Allahverdiyev as sole shareholder. In 2007 subject's shareholding structure changed to: Aydin Veyseloglu Talibov and Ilqar Veyseloglu Talibov. On 30 January 2009, subject's shareholding structure changed to the present.

C.R. No. : 1206-S4-739

Tax No.: VOEN 0700159551

Authorized Capital : NEW MANAT 7,825,972.67 (increased from NEW MANAT 1,250,000)

Paid-Up Capital : NEW MANAT 7,825,972.67 (increased from NEW MANAT 1,250,000)

Mekhdud Mesuliatli Camiyeti (limited liability company) with the following shareholders :

Shareholders	Percentage
1. Aydin Veyseloglu Talibov (Azerbaijani National / Identity No.: AZE No. 05113051, issued on 16.02.2006)	41.65%
2. Ilqar Veyseloglu Talibov	20.85%

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(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)

Affiliated companies of Veyseloglu MMC :

Associates

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

1. Veyseloglu-Yaycili Qardashlar MMC
2nd Parallel Street, 2
Keshli Vilage
Baku AZ1031
Telephone: (994 12) 447 2660
Fax : (994 12) 447 4011
Employs: 220
Est.: 26 April 2004
Tax No.: VOEN 0700007111
Capital : NEW MANAT 4,500,000
Shareholders :
- Aydin Veyseloglu Talibov 41.65%
- Ilqar Veyseloglu Talibov 20.85%
- Ishak Muharrem Oglu Yaycili 20.00%
- Mehmet Alper Ishak Oglu Yaycili 17.50%
(Producers of Ulduz chocolates)

2. Sirab ASC
Sirab Village
Babek District
Nakhchivan (Autonomous Republic) AZ6721
Telephone: (994 136) 418 113
Fax : (994 136) 400 161
Managing Director : Rovshan Sudef Oglu Hadzhiyev
Est. : 3 October 2006
Tax No. : VOEN 0200304621
Capital : NEW MANAT 400
(registered address : A. Calilov Street 17, Flat No. 45, Nakhchivan
(Autonomous Republic) AZ7000)
(manufactures of Sirab mineral water)

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3. Araz Supermarket MMC

AGA Business Center, 2nd Floor

Xocalı Avenue 55

Khatai District

Baku AZ1000

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)

Fax : (994 12) 404 1236

E-Mail : info@retail.com / assistant@retail.az /

fazil.abbasov@veyseloglu.az

Website : www.arazmarket.az

Managing Director: Vusal Etibar Oglu Sharifov

Est.: 6 January 2011

Tax No. : VOEN 1001994141

Capital : NEW MANAT 20

Shareholders:

- Aydin Veyseloglu Talibov	80.5%
- Ilqar Veyseloglu Talibov	10.0%
- Bakhtiyar Allahverdi	9.5%

4. Oba Retail Chain MMC

AGA Business Center, 2nd Floor

Khojalı Avenue 55

Khatai District

Baku AZ1000

Telephone : (994 12) 404 1236 / Mobile (994 55) 515 1283 (Chief
Accountant) / (994 50) 204 0120 (Fazil Abbasov)

Fax : (994 12) 404 1236

E-Mail : info@retail.com / fazil.abbasov@veyseloglu.az

Managing Director: Vusal Dilqam Oglu Amrakhov

Est.: 17 June 2016

Tax No.: VOEN 2903885001

Capital : NEW MANAT 100

Sole Shareholder:

- Aydin Veyseloglu Talibov

ACTIVITIES

The company is involved in the following activities:

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.

NACE Code: 4619 / 4636

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Imports from Turkey, India, China, South Korea, Russia, Ukraine, Belarus, Poland, Germany, Latvia, Italy, France, Bulgaria, Denmark, Baltic countries and Romania.

Subject does not export, all sales are domestic.

Distributors for: Albena, Nuh'un Ankara Makarnas , AVK, B FA, Bonduelle, Campbells, Canbebe, Delicpol, D nesit, ET, Gamma, HAYAT, Heinz, Mieszko and others

FACILITIES

The Company has the following facilities :

Owned 3 hectares plot of land comprising administrative offices, a wholesale outlet and storage facilities located at the heading address as well as 2 warehouses and 10 regional branch offices located elsewhere in Azerbaijan (see 'Branch Offices' below).

Subject formerly used the following telephone number:

Telephone: (994 12)447 4011

Subject formerly had a representative office located in Siyagut Village, Sharurskiy District AZ1031, Nakhchivan (Autonomous Republic).

Subject's formerly telephone and mobile numbers were:

Telephone: (994 12) 447 2700 / 447 2701 / 447 7122/ 447 7133 / Mobile (994 55) 206 1777 (Emina Bashirova)

Until December 2006 subject was located at :

Aliev Avenue 106
Azergeyim Bazasi
Baku
Telephone: (994 12) 498 8132
Fax : (994 12) 498 8132

REGISTERED OFFICE

2-CI Enine Street 2
Nizami District
Baku AZ1029

Subject's former registered address was:

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Ziya Bunyadov Street 9A, Flat 47
Binagadi District
Baku AZ1108

Subject formerly was located at :

Siyagut Village
Sharurskiy District AZ1031
Nakhchivan (Autonomous Republic)

BRANCH OFFICES

1. Salyan Branch
Yanvar Street 32
Salyan
Telephone: (994 163) 55602 / 55317
Fax : (994 163) 55602 / 55317
2. Mingachevir Branch
Ganja Highway 16
Mingachevir
Telephone: (994 12) 418 9233 / (994 50) 245 2927 / 255 0709
Fax : (994 147) 47077
3. Sumgayit
4. Guba

SPECIAL NOTES

You enquired on : VEYSELOGLU MMC (WERSJA ANG VEYSELOGLU LLC). Please note that the correct name is as per heading.

Interviewed: Fazil Abbasov (Head of Treasure Department Veyseloglu Group).

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.87
UK Pound	1	INR 91.14
Euro	1	INR 80.63
AZN	1	INR 40.33

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)