

MIRA INFORM REPORT

Report No. :	518744
Report Date :	12.07.2018

IDENTIFICATION DETAILS

Name :	BADAGONI SS
Formerly Known As :	KNIGHT OF WINEMAKING BADAGONI SHPS BADAGONI LLC
Registered Office :	Zemo Khodasheni Village, Akhmeta District 0910, Kakheti Region
Country :	Georgia
Financials (as on) :	2018 (Summarized)
Date of Incorporation :	15.10.2003
Com. Reg. No.:	18/5/B-123
Legal Form :	Joint Stock Company
Line of Business :	Producers of Wine.
No. of Employees :	220

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Maximum Credit Limits :	LARI 684,000
Status :	Moderate
Payment Behaviour :	No Complaints

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Litigation :	Clear
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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)
Georgia	C1	C1

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

GEORGIA - ECONOMIC OVERVIEW

Georgia's main economic activities include cultivation of agricultural products such as grapes, citrus fruits, and hazelnuts; mining of manganese, copper, and gold; and producing alcoholic and nonalcoholic beverages, metals, machinery, and chemicals in small-scale industries. The country imports nearly all of its needed supplies of natural gas and oil products. It has sizeable hydropower capacity that now provides most of its electricity needs.

Georgia has overcome the chronic energy shortages and gas supply interruptions of the past by renovating hydropower plants and by increasingly relying on natural gas imports from Azerbaijan instead of from Russia. Construction of the Baku-Tbilisi-Ceyhan oil pipeline, the South Caucasus gas pipeline, and the Baku-Tbilisi-Kars railroad are part of a strategy to capitalize on Georgia's strategic location between Europe and Asia and develop its role as a transit hub for gas, oil, and other goods.

Georgia's economy sustained GDP growth of more than 10% in 2006-07, based on strong inflows of foreign investment, remittances, and robust government spending. However, GDP growth slowed following the August 2008 conflict with Russia, and sunk to negative 4% in 2009 as foreign direct investment and workers' remittances declined in the wake of the global financial crisis. The economy rebounded in the period 2010-17, but FDI inflows, the engine of Georgian economic growth prior to the 2008 conflict, have not recovered fully. Unemployment remains persistently high.

The country is pinning its hopes for faster growth on a continued effort to build up infrastructure, enhance support for entrepreneurship, simplify regulations, and improve professional education, in order to attract foreign investment and boost employment, with a focus on transportation projects, tourism, hydropower, and agriculture. Georgia had historically suffered from a chronic failure to collect tax revenues; however, since 2004 the government has simplified the tax code, increased tax enforcement, and cracked down on petty corruption, leading to higher revenues. The government has received high marks from the World Bank for improvements in business transparency. Since 2012, the Georgian Dream-led government has continued the previous administration's low-regulation, low-tax, free market policies, while modestly increasing social spending and amending the labor code to comply with International Labor Standards. In mid-2014, Georgia concluded an association agreement with the EU, paving the way to free trade and visa-free travel. In 2017, Georgia signed Free Trade Agreement (FTA) with China as part of Tbilisi's efforts to diversify its economic ties. Georgia is seeking to develop its Black Sea ports to further facilitate East-West trade.

Source : CIA

COMPANY NAME

BADAGONI SS (CORRECT)
BADAGONI SH PS (WERSJA ANG BADAGONI LTD) (REQUESTED)

ADDRESS

Street : Freedom Square 4

Area : Old Tbilisi District

Town : Tbilisi 0105

Country : Georgia

Telephone : (995 32) 293 6243 / Mobile (995 599) 552 403 / (995 593) 232 393 (Financial Manager) / (995 595) 302 595 (Chief Accountant)

Fax : (995 32) 293 6243

E-Mail : office@badagoni.ge / shota.gamkrelidze@badagoni.ge

Website : www.badagoni.ge

Trading Style : Badagoni

Extended Name : Badagoni Saaktsio Sazogadoeba

English Translation : Badagoni JSC

Also Known As : Badagoni Wine Factory

Formerly Known As : Knight of Winemaking / Badagoni ShPS / Badagoni LLC

SENIOR COMPANY PERSONNEL

Name	Position
Supervisory Board	
1. Giorgi Salaqaia	Chairman
2. German Shengelia	Vice-Chairman
Management Board	
1. Marina Giorgadze	General Manager

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2. Shota Gamkrelidze Financial Manager

Total Employees: 220

PAYMENTS

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

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

Opinion on maximum credit: LARI 684,000

Trade risk assessment: Normal

PRINCIPAL BANKER

NAME : TBC BANK JSC

Branch : Marzhanishvili Street 7

Town : Tbilisi 0125

Telephone: (995 32) 272 727

Fax : (995 32) 272 727

FINANCIAL INFORMATION

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

Sales Turnover : US DLRS 8,500,000 – 2016 – exact
: US DLRS 14,000,000 – 2017 – approx
: US DLRS 16,000,000 – 2018 – projected

Net Profit : Not given but stated to be 45% of the sales turnover

Financial year ends 31 December.

LEGAL STATUS AND HISTORY

Date Started: 15 October 2003

History : Subject was established in Kakheti Region on 15 October 2003 as a limited liability company under the name Badagoni ShPS. On 2 April 2018, subject was converted into a joint stock company with the present name and ownership. Initially, subject's sole shareholder was the following:

- Grakoro Trading Limited
Limassol
Cyprus
C.R. No.: 115225/05

C.R. No. : 18/5/b-123

ID Code : 224624262

Authorised Capital : LARI 24,000,000

Paid-Up Capital : LARI 24,000,000

Saaktsio Sazogadoeba (joint stock company) (SS) with the following director and sole shareholder :

Director

Marina Giorgadze
(Georgian national / Personal No. : 01021007890)

Shareholder	Percentage
Giorgi Salaqaia (Georgian national / Personal No. : 01010004767)	100%

Affiliated company of Badagoni ShPS :

Associate

Greip Lendi Grape Land ShPS
T. Nadareishvili Street 4, Office No. 3
Vake-Saburtalo District
Tbilisi
Est. : 18 September 2013
ID Code : 405010063

ACTIVITIES

The Company is involved in the following activities :

Producers of wine.

Subject distributors includes :

- UTA NN Ltd;
Russia
- Belarustorg;
Belarus
- Domain Menada Sp.Z.O.O;
Poland
- Badagoni-Ukraine Ltd;
Ukraine
- Cellar TOO;
Kazakhstan
- Bebu GmbH.
Germnay

NACE Code : 1102

Imports from Europe, Russia, Italy, Portugal and Ukraine.

Exports to CIS Countries, Estonia, Lithuania, Poland, Slovakia, Germany, Switzerland and China.

FACILITIES

The Company has the following facilities :

Rented administrative offices located at the heading address as well as a manufacturing unit, vineyard and storage facilities located throughout Georgia (see 'Branch Offices' below).

REGISTERED OFFICE

Zemo Khodasheni Village
Akhmeta District 0910

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Kakheti Region

BRANCH OFFICES

1. Wine Factory
Zemo Khodasheni Village
Akhmeta District 0910
2. Ojaleshi
Samegrelo
(5 hectares)
3. Maghraani Village
Akhmeta District
(28,4 hectares)
4. Alaverdi Village
Akhmeta District
(26 hectares)
5. Maghraani Village Outskirts
Akhmeta District
(9 hectares)
6. Khorkheli Village
Akhmeta District
(30 hectares)
7. Alaverdi Cathedral Surroundings
Alaverdi Village
Akhmeta District
(24 hectares)
8. Badagoni
9. Akura Village, Tsinandali Zone
Telavi District
(18 hectares)
10. Akhasheni Zone
Gurjaani District
(14 hectares)
11. Manavi
(22 hectares)
12. Mukuzani Zone

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Gurjaani District
(7.5 hectares)

13. Kindzmarauli Zone
Khvareli District
(14.3 hectares)

14. Warehouse
A. Tsereteli Avenue 72A
Didube-Chugureti District
Tbilisi 0119

15. Khorkhell Village
Akmata District
(30 hectares)

SPECIAL NOTES

You enquired on: BADAGONI SH PS (WERSJA ANG BADAGONI LTD). Please note that the correct name is as per heading.

The address which you provided: 0910 ZEMO KHODASHENI, AKHMETSKI RN GRUZJA applies to subject's registered office address. Please note that subject's operational office address is as per heading.

Interviewed: Shota Gamkrelidze (Financial Manager).

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.83
UK Pound	1	INR 91.35
Euro	1	INR 80.79
GEL	1	INR 27.92

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

INFORMATION DETAILS

Analysis Done by :	NIY
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)