

MIRA INFORM REPORT

Report No. :	523575
Report Date :	07.08.2018

IDENTIFICATION DETAILS

Name :	ISAK D.O.O. PREDUZECE ISAK DOO ARILJE
Registered Office :	Cerova bb RS 31230 Arilje
Country :	Serbia
Financials (as on) :	31.12.2017
Date of Incorporation :	26.12.1991
Legal Form :	Limited Liability Company
Line of Business :	Manufacture of Knitted and Crocheted Fabrics
No. of Employees :	38 (2017)

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

Status :	Satisfactory
Payment Behaviour :	No Complaints
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

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Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Serbia	C1	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

SERBIA - ECONOMIC OVERVIEW

Serbia has a transitional economy largely dominated by market forces, but the state sector remains significant in certain areas. The economy relies on manufacturing and exports, driven largely by foreign investment. MILOSEVIC-era mismanagement of the economy, an extended period of international economic sanctions, civil war, and the damage to Yugoslavia's infrastructure and industry during the NATO airstrikes in 1999 left the economy worse off than it was in 1990. In 2015, Serbia's GDP was 27.5% below where it was in 1989.

After former Federal Yugoslav President MILOSEVIC was ousted in September 2000, the Democratic Opposition of Serbia (DOS) coalition government implemented stabilization measures and embarked on a market reform program. Serbia renewed its membership in the IMF in December 2000 and rejoined the World Bank and the European Bank for Reconstruction and Development. Serbia has made progress in trade liberalization and enterprise restructuring and privatization, but many large enterprises - including the power utilities, telecommunications company, natural gas company, and others - remain state-owned. Serbia has made some progress towards EU membership, gaining candidate status in March 2012. In January 2014, Serbia's EU accession talks officially opened and, as of December 2017, Serbia had opened 12 negotiating chapters including one on foreign trade. Serbia's negotiations with the WTO are advanced, with the country's complete ban on the trade and cultivation of agricultural biotechnology products representing the primary remaining obstacle to accession. Serbia maintains a three-year Stand-by Arrangement with the IMF worth approximately \$1.3 billion that is scheduled to end in February 2018. The government has shown progress implementing economic reforms, such as fiscal consolidation, privatization, and reducing public spending.

Unemployment in Serbia, while relatively low (16% in 2017) compared with its Balkan neighbors, remains significantly above the European average. Serbia is slowly implementing structural economic reforms needed to ensure the country's long-term prosperity. Serbia reduced its budget deficit to 1.7% of GDP and its public debt to 71% of GDP in 2017. Public debt had more than doubled between 2008 and 2015. Serbia's concerns about inflation and exchange-rate stability preclude the use of expansionary monetary policy.

Major economic challenges ahead include: stagnant household incomes; the need for private sector job creation; structural reforms of state-owned companies; strategic public sector reforms; and the need for new foreign direct investment. Other serious longer-term challenges include an inefficient judicial system, high levels of corruption, and an aging population. Factors favorable to Serbia's economic growth include the economic reforms it is undergoing as part of its EU accession process and IMF agreement, its strategic location, a relatively inexpensive and skilled labor force, and free trade agreements with the EU, Russia, Turkey, and countries that are members of the Central European Free Trade Agreement.

Source : CIA

COMPANY NAME AND ADDRESS

ISAK D.O.O.
PREDUZECE ISAK DOO ARILJE

Cerova bb
RS 31230 Arilje
Tel: +381 31/3891367, 3892174, 3892547, 3894321, 3894690
Fax: +381 31/3891367, 3892174, 3892547, 3894321, 3894690
Mob.: +381 65/6085188
E-Mail: isak01@eunet.rs; isakdoo@open.telekom.rs

COMPANY SUMMARY

Legal form	Ltd. - Limited Liability company	
Established	26.12.1991	
Registered	National Identification Number: 07829272 PIB (Value Added Tax): 100786003 Serbian Business Registers Agency Nr. 68829	
Establisher	Zoran Isakovic, born 14.12.1967 Serbia	50.00%
	Ivana Isakovic, born 18.02.1971 Serbia	50.00%
Basic capital	RSD 12,141,000 (31.12.2017)	
Management	Zoran Isakovic, Director, born 14.12.1967 Serbia	
Activity	Basic activity (according to National activity classification): Manufacture of knitted and crocheted fabrics (13.91)	
	Import from: Italy, Greece Export to: Bosnia and Herzegovina, Macedonia	
Business Premises	Cerova bb, Arilje, private property, Office (200 m ²) Cerova bb, Arilje, private property, Production plant	
Motor pool	Pick-up vehicle: 1 Vans: 1	

Staff	2017	38 employees
	2016	37 employees
	2015	38 employees
	2014	42 employees
	2013	42 employees
	2012	41 employees
	2011	42 employees
	2010	42 employees
	2009	41 employees
	2008	28 employees
	2007	27 employees
	2006	22 employees
	2005	21 employees
	2004	16 employees
2002	13 employees	
2001	12 employees	

Revenue	2017 revenue	RSD	221,355,000
	2016 revenue	RSD	201,165,000
	2015 revenue	RSD	153,560,000
	2014 revenue	RSD	141,894,000
	2013 revenue	RSD	214,639,000
	2012 revenue	RSD	126,824,000
	2011 revenue	RSD	152,638,000
	2010 revenue	RSD	130,174,000
	2009 revenue	RSD	110,724,000
	2008 revenue	RSD	105,803,000
	2007 revenue	RSD	93,883,000
	2006 revenue	RSD	99,398,000
	2005 revenue	RSD	64,028,000
	2004 revenue	RSD	60,694,000
2003 revenue	RSD	46,083,000	
2002 revenue	RSD	31,519,000	
2001 revenue	RSD	55,931,000	

Real estate Verification of information on real estate ownership position through the Real Estate Register is not covered by the standard report.

FINANCIALS

Balance Sheet	RSD (x 1,000)	31.12.2017	31.12.2016	31.12.2015
<i>Unconsolidated</i>				
	FIXED ASSETS	52,588	44,649	58,289
	Subscribed capital unpaid	0	0	0
	Intangible fixed assets	0	0	0
	Tangible fixed assets	52,588	44,649	43,022
	Other fixed assets	0	0	15,267

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	CURRENT ASSETS	142,115	127,942	95,218
	Inventories	96,531	70,635	60,289
	Accounts receivable	41,899	45,354	33,424
	Cash and cash equivalent	358	11,952	1,505
	Other current assets	3,327	1	0
	LOSS	0	0	0
	TOTAL ASSETS	194,703	172,591	153,507
	EQUITY	145,391	130,210	108,968
	Capital	12,141	12,141	12,141
	Subscribed capital unpaid	0	0	0
	Reserves	0	0	0
	Revalorization reserves	0	0	0
	Undistributed Income	133,250	118,069	96,827
	Loss	0	0	0
	Treasury shares	0	0	0
	LONG TERM RESERVATIONS	0	0	0
	LONG TERM LIABILITIES	0	0	0
	SHORT TERM LIABILITIES	49,312	42,381	44,539
	OTHER LIABILITIES	0	0	0
	TOTAL LIABILITIES	194,703	172,591	153,507
Profit And Loss Account	RSD (x 1,000)	31.12.2017	31.12.2016	31.12.2015
<i>Unconsolidated</i>				
	OPERATING REVENUES	218,417	200,700	153,420
	Sales of goods	218,417	200,700	153,420
	OPERATING EXPENSES	204,898	161,806	148,385
	Costs of goods sold	0	0	0
	Raw materials costs	152,693	134,732	96,315
	Salaries, wages and other personal indemnities	21,726	18,715	23,266
	Deprecation and provision costs	6,100	7,117	8,244
	Other operating expenses	55,651	36,673	24,486
	FINANCIAL REVENUES	2,915	139	94
	FINANCIAL EXPENSES	615	963	663
	Financial P/L	2,300	(824)	(569)
	OTHER REVENUES	28	17,480	46
	OTHER EXPENSES	5	17,154	7
	Other P/L	23	326	39
	Profit from regular business operations before tax	15,837	21,242	4,505
	Loss from regular business operations before tax	0	0	0
	Net profit of businesses to be ceased	23	0	0
	Net loss of businesses to be	0	0	0

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ceased			
Profit before taxation	15,860	21,242	4,505
Loss before taxation	0	0	0
Taxation on profit	0	0	0
Personal indemnities paid to employer	0	0	0
TOTAL REVENUES	221,355	201,165	153,560
TOTAL EXPENSES	205,518	179,923	149,055
PROFIT OF THE PERIOD	15,860	21,242	4,505
LOSS OF THE PERIOD	0	0	0
Number of employees	38	37	38

Ratios	RSD (x 1,000)	31.12.2017	31.12.2016	31.12.2015
<i>Unconsolidated</i>				
	Financial stability ratio	0.98	1.13	0.92
	Equity ratio %	74.67	75.44	70.99
	Debt to equity (Worth)	0.34	0.33	0.41
	Liquidity ratio	0.92	1.35	0.78
	Current ratio	2.81	2.74	2.10
	Total assets turnover	1.12	1.16	1.00
	Average collection period in days	70	82	80
	Profit margin %	7.26	10.58	2.94
	Return on total assets %	8.15	12.31	2.93
	Return on equity %	10.91	16.31	4.13
	Total assets per employee (ths.)	5,123.76	4,664.62	4,039.66
	Equity per employee (ths)	3,826.08	3,519.19	2,867.58
	Total revenue per employee (ths.)	5,747.82	5,424.32	4,037.37
	Profit per employee (ths.)	417.37	574.11	118.55
	Loss per employee (ths.)	0.00	0.00	0.00
	Average net to salaries (ths.)	47.64	42.15	51.02

Corporate structure

Rep. Offices in Serbia: none
Rep. Offices abroad: none
Affiliates: not identified
Subsidiaries: not identified
Immediate parent company: none

Other info

Short company name: ISAK DOO ARILJE, CEROVA BB (ISAK Ltd. ARILJE, CEROVA BB)

Business activity of the company:

ISAK (NIN: 07829272) was founded in 1991. Its main activity is the production of cotton tricot knit as well as the services in the field of knitting, bleaching and dyeing tricot material.

Knitwear is made of combed yarns and treated with quality paints and additional resources. Materials may be delivered in the formation of bowel or in the open state in a variety of interlacements- single, interlock, rip various collages, single with lycra,

single dots.

The coloring is done according to recipes from their colour cards or according to laboratory analysis of the shades of the submitted sample.

Certificates:

- ISO 9001:2000 - Quality Management System

Inflation	2017:	3.00%
	2016:	1.10%
	2015:	1.40%
	2014:	2.10%
	2013:	7.70%
	2012:	7.30%

Bankers	KOMERCIJALNA BANKA A.D. Beograd	
	Svetog Save 14	
	205-0000000108851-37	
	BANCA INTESA A.D. Beograd	
	Milentija Popovica 7 b	
	160-0000000008950-95	
	UNICREDIT BANK SRBIJA A.D. Beograd	
	Rajiceva 27-29	
	170-0030025235000-66	
	HALKBANK A.D. Cacak	
Pivarska 1		
155-0000000037606-03		
No unsettled liability was registered during last 12 months.		

Debt collection	Case Registered:	-
	Case Status:	There is no record of any debt collection action.

Mode of payment	No Complaints
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Credit opinion	Business connections are permissible
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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.68
UK Pound	1	INR 89.26
Euro	1	INR 79.38
RSD	1	INR 0.67

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	PRN

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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)