

MIRA INFORM REPORT

Report No. :	547089
Report Date :	31.12.2018

IDENTIFICATION DETAILS

Name :	KONYA JANT SANAYI VE TICARET A.S.
Registered Office :	Fevzi Cakmak Mah. 10728 Sok. No:1-3 Karatay 42050 Konya
Country :	Turkey
Financials (as on) :	31.12.2017
Date of Incorporation :	16.02.1995
Com. Reg. No.:	19669
Legal Form :	Joint Stock Company
Line of Business :	Manufacture and trade of rim mainly for agricultural machinery.
No. of Employees :	29

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 :	Slow and delayed
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.

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Turkey	B1	B1

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

TURKEY - ECONOMIC OVERVIEW

Turkey's largely free-market economy is driven by its industry and, increasingly, service sectors, although its traditional agriculture sector still accounts for about 25% of employment. The automotive, petrochemical, and electronics industries have risen in importance and surpassed the traditional textiles and clothing sectors within Turkey's export mix. However, the recent period of political stability and economic dynamism has given way to domestic uncertainty and security concerns, which are generating financial market volatility and weighing on Turkey's economic outlook.

Current government policies emphasize populist spending measures and credit breaks, while implementation of structural economic reforms has slowed. The government is playing a more active role in some strategic sectors and has used economic institutions and regulators to target political opponents, undermining private sector confidence in the judicial system. Between July 2016 and March 2017, three credit ratings agencies downgraded Turkey's sovereign credit ratings, citing concerns about the rule of law and the pace of economic reforms.

Turkey remains highly dependent on imported oil and gas but is pursuing energy relationships with a broader set of international partners and taking steps to increase use of domestic energy sources including renewables, nuclear, and coal. The joint Turkish-Azerbaijani Trans-Anatolian Natural Gas Pipeline is moving forward to increase transport of Caspian gas to Turkey and Europe, and when completed will help diversify Turkey's sources of imported gas.

After Turkey experienced a severe financial crisis in 2001, Ankara adopted financial and fiscal reforms as part of an IMF program. The reforms strengthened the country's economic fundamentals and ushered in an era of strong growth, averaging more than 6% annually until 2008. An aggressive privatization program also reduced state involvement in basic industry, banking, transport, power generation, and communication. Global economic conditions and tighter fiscal policy caused GDP to contract in 2009, but Turkey's well-regulated financial markets and banking system helped the country weather the global financial crisis, and GDP growth rebounded to around 9% in 2010 and 2011, as exports and investment recovered following the crisis.

The growth of Turkish GDP since 2016 has revealed the persistent underlying imbalances in the Turkish economy. In particular, Turkey's large current account deficit means it must rely on external investment inflows to finance growth, leaving the economy vulnerable to destabilizing shifts in investor confidence. Other troublesome trends include rising unemployment and inflation, which increased in 2017, given the Turkish lira's continuing depreciation against the dollar. Although government debt remains low at about 30% of GDP, bank and corporate borrowing has almost tripled as a percent of GDP during the past decade, outpacing its emerging-market peers and prompting investor concerns about its long-term sustainability.

Source : CIA

COMPANY IDENTIFICATION

NAME	KONYA JANT SANAYI VE TICARET A.S.
HEAD OFFICE ADDRESS	Fevzi Cakmak Mah. 10728 Sok. No:1-3 Karatay 42050 Konya / Turkey
PHONE NUMBER	90-332-346 15 92-93 90-332-444 52 10
FAX NUMBER	90-332-346 15 94
WEB-ADDRESS	www.konyajant.com
E-MAIL	info@konyajant.com

LEGAL STATUS AND HISTORY

TAX OFFICE	Selcuk
TAX NO	5770008999
REGISTRATION NUMBER	19669
REGISTERED OFFICE	Konya Chamber of Commerce
COMMERCIAL REGISTRY	Konya Commercial Registry
DATE ESTABLISHED	16.02.1995
ESTABLISHMENT GAZETTE DATE/NO	22.02.1995/3731
LEGAL FORM	Joint Stock Company
TYPE OF COMPANY	Private
REGISTERED CAPITAL	TL 1.100.000
PAID-IN CAPITAL	TL 1.100.000
HISTORY	Previous Registered Capital : TL 750.000 / Changed on : 26.04.2012/(Commercial Gazette Date /Number 07.05.2012 /8062) Previous Address : Fevzi Cakmak Mah. 10728 Sok. No:1 Karatay Konya (The street name was changed from "Darbazlar Sok." by the municipality.) / Changed on : 07.07.2015/(Commercial Gazette Date /Number 16.07.2015 /8864)

OWNERSHIP / MANAGEMENT

SHAREHOLDERS	Hasan Aksakal	55 %
	Musa Aksakal	45 %

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SUBSIDIARIES

- VIRA METAL MAKINA SANAYI VE TICARET A.S. (Tax Number: 9250510852, Registration Number: 49672, Origin: Turkey)

BOARD OF DIRECTORS Hasan Aksakal (Chairman)

OPERATIONS

BUSINESS ACTIVITIES Manufacture and trade of rim mainly for agricultural machinery.

NACE CODE DM.34.30

NUMBER OF EMPLOYEES 29

NET SALES 3.934 TL Thousand (2016)
4.858 TL Thousand (2017)
2.822 TL Thousand (01.01-30.06.2018)

IMPORT COUNTRIES Indonesia

MERCHANDISE IMPORTED Steel

EXPORT VALUE 126.501 TL (2016)
209.805 TL (2017)
177.586 TL (01.01-30.06.2018)

EXPORT COUNTRIES European Countries

MERCHANDISE EXPORTED Rim

HEAD OFFICE ADDRESS Fevzi Cakmak Mah. 10728 Sok. No:1-3 Karatay Konya / Turkey

BRANCHES Head Office/Production Plant : Fevzi Cakmak Mah. 10728 Sok. No:1-3 Karatay Konya/Turkey

TREND OF BUSINESS There was an upwards trend in 2017. There appears a slowdown at business volume in real terms in the first 6 months of 2018.

SIZE OF BUSINESS Upper-Medium

FINANCE

MAIN DEALING BANKS T.C. Ziraat Bankasi Karatay Sanayi Branch

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T. Is Bankasi Busan Branch
T. Garanti Bankasi Toptancilar Branch

CREDIT FACILITIES The subject company is making use of credit facilities.

PAYMENT BEHAVIOUR Slow and delayed

KEY FINANCIAL ELEMENTS	(2016)	(2017)	(01.01- 30.06.2018)
	TL Thousand	TL Thousand	TL Thousand
Net Sales	3.934	4.858	2.822
Profit (Loss) Before Tax	141	180	70
Stockholders' Equity	2.398	2.529	
Total Assets	8.214	8.837	
Current Assets	6.627	6.865	
Non-Current Assets	1.587	1.972	
Current Liabilities	5.798	6.291	
Long-Term Liabilities	18	17	
Gross Profit (loss)	859	923	372
Operating Profit (loss)	187	202	76
Net Profit (loss)	92	130	70

COMMENT ON FINANCIAL POSITION

Capitalization	Satisfactory As of 31.12.2017
Remarks on Capitalization	A part of total liabilities and equity consist of loans from shareholders rather than liabilities to third parties indicating not too high indebtedness to third parties.
Liquidity	Fair As of 31.12.2017
Remarks On Liquidity	A part of current liabilities consist of short-term loans from shareholders rather than liabilities to third parties.
Profitability	In Order Operating Profitability in 2016 Fair Net Profitability in 2016 In Order Operating Profitability in 2017 Fair Net Profitability in 2017 Fair Operating Profitability (01.01-30.06.2018) Low Net Profitability (01.01-30.06.2018)
Gap between average collection and payable periods	Favorable in 2017
General Financial Position	Fair

CREDIT OPINION WITHOUT OBLIGATION

	Incr. in producers' price index	Average USD/TL	Average EUR/TL	Average GBP/ TL
(2016)	9,94 %	3,0292	3,3349	4,1006
(2017)	15,47 %	3,6337	4,1120	4,7059
(01.01-30.06.2018)	15,52 %	4,0582	4,8864	5,5548
(01.01-30.09.2018)	38,96 %	4,5878	5,4581	6,1749

FINANCIALS

BALANCE SHEETS

	31.12.2016 (Full Year) TL Thousand		31.12.2017 (Full Year) TL Thousand	
CURRENT ASSETS	6.627	0,81	6.865	0,78
Not Detailed Current Assets	0	0,00	0	0,00
Cash and Banks	188	0,02	103	0,01
Marketable Securities	0	0,00	0	0,00
Account Receivable	2.072	0,25	1.473	0,17
Other Receivable	76	0,01	519	0,06
Inventories	4.103	0,50	4.641	0,53
Advances Given	163	0,02	80	0,01
Accumulated Construction Expense	0	0,00	0	0,00
Other Current Assets	25	0,00	49	0,01
NON-CURRENT ASSETS	1.587	0,19	1.972	0,22
Not Detailed Non-Current Assets	0	0,00	0	0,00
Long-term Receivable	1	0,00	1	0,00
Financial Assets	52	0,01	53	0,01
Tangible Fixed Assets (net)	893	0,11	1.843	0,21
Intangible Assets	617	0,08	63	0,01
Deferred Tax Assets	0	0,00	0	0,00
Other Non-Current Assets	24	0,00	12	0,00
TOTAL ASSETS	8.214	1,00	8.837	1,00
CURRENT LIABILITIES	5.798	0,71	6.291	0,71
Not Detailed Current Liabilities	0	0,00	0	0,00
Financial Loans	604	0,07	999	0,11
Accounts Payable	969	0,12	1.426	0,16
Loans from Shareholders	2.390	0,29	2.311	0,26
Other Short-term Payable	154	0,02	187	0,02
Advances from Customers	1.541	0,19	1.288	0,15

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Accumulated Construction Income	0	0,00	0	0,00
Taxes Payable	134	0,02	71	0,01
Provisions	6	0,00	9	0,00
Other Current Liabilities	0	0,00	0	0,00
LONG-TERM LIABILITIES	18	0,00	17	0,00
Not Detailed Long-term Liabilities	0	0,00	0	0,00
Financial Loans	0	0,00	0	0,00
Securities Issued	0	0,00	0	0,00
Long-term Payable	17	0,00	17	0,00
Loans from Shareholders	0	0,00	0	0,00
Other Long-term Liabilities	0	0,00	0	0,00
Provisions	1	0,00	0	0,00
STOCKHOLDERS' EQUITY	2.398	0,29	2.529	0,29
Not Detailed Stockholders' Equity	0	0,00	0	0,00
Paid-in Capital	1.100	0,13	1.100	0,12
Cross Shareholding Adjustment of Capital	0	0,00	0	0,00
Inflation Adjustment of Capital	77	0,01	77	0,01
Equity of Consolidated Firms	0	0,00	0	0,00
Reserves	1.129	0,14	1.222	0,14
Revaluation Fund	0	0,00	0	0,00
Accumulated Losses(-)	0	0,00	0	0,00
Net Profit (loss)	92	0,01	130	0,01
TOTAL LIABILITIES AND EQUITY	8.214	1,00	8.837	1,00

INCOME STATEMENTS

	(2016) (Full Year) TL Thousand	(2017) (Full Year) TL Thousand	(01.01- 30.06.2018) (Interim Period) TL Thousand			
Net Sales	3.934	1,00	4.858	1,00	2.822	1,00
Cost of Goods Sold	3.075	0,78	3.935	0,81	2.450	0,87
Gross Profit	859	0,22	923	0,19	372	0,13
Operating Expenses	672	0,17	721	0,15	296	0,10
Operating Profit	187	0,05	202	0,04	76	0,03
Other Income	9	0,00	17	0,00	12	0,00
Other Expenses	40	0,01	32	0,01	3	0,00
Financial Expenses	15	0,00	7	0,00	15	0,01
Minority Interests	0	0,00	0	0,00	0	0,00
Profit (loss) of consolidated firms	0	0,00	0	0,00	0	0,00
Profit (loss) Before Tax	141	0,04	180	0,04	70	0,02
Tax Payable	49	0,01	50	0,01	0	0,00
Postponed Tax Gain	0	0,00	0	0,00	0	0,00
Net Profit (loss)	92	0,02	130	0,03	70	0,02

LAST FINANCIAL STATEMENT DETAILS

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	TL Thousand
Cash	8
Banks	95
Doubtful Trade Receivables	72
Receivables From Participations (in Other Receivable)	356
Other Miscellaneous Receivables (in Other Receivable)	163
Overdue, Delayed or Deferred Tax by Installments and Other Liabilities	0

FINANCIAL RATIOS

	(2016)	(2017)
LIQUIDITY RATIOS		
Current Ratio	1,14	1,09
Acid-Test Ratio	0,40	0,33
Cash Ratio	0,03	0,02
ASSET STRUCTURE RATIOS		
Inventory/Total Assets	0,50	0,53
Short-term Receivable/Total Assets	0,26	0,23
Tangible Assets/Total Assets	0,11	0,21
TURNOVER RATIOS		
Inventory Turnover	0,75	0,85
Stockholders' Equity Turnover	1,64	1,92
Asset Turnover	0,48	0,55
FINANCIAL STRUCTURE		
Stockholders' Equity/Total Assets	0,29	0,29
Current Liabilities/Total Assets	0,71	0,71
Financial Leverage	0,71	0,71
Gearing Percentage	2,43	2,49
PROFITABILITY RATIOS		
Net Profit/Stockholders' Eq.	0,04	0,05
Operating Profit Margin	0,05	0,04
Net Profit Margin	0,02	0,03
Interest Cover	10,40	26,71
COLLECTION-PAYMENT		
Average Collection Period (days)	189,70	109,23
Average Payable Period (days)	115,43	132,02
WORKING CAPITAL	829,00	574,00

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 69.98
UK Pound	1	INR 88.66
Euro	1	INR 80.18
TRY	1	INR 13.22

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	SYL

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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)