

MIRA INFORM REPORT

Report No. :	537511
Report Date :	01.11.2018

IDENTIFICATION DETAILS

Name :	HALAT BRANDA SANAYI VE TICARET A.S.
Registered Office :	Demirtal Mah. Kantarcilar Cad. No:15 Fatih 34134 Istanbul
Country :	Turkey
Financials (as on) :	31.12.2017
Date of Incorporation :	19.09.1984
Com. Reg. No.:	205627
Legal Form :	Joint Stock Company
Line of Business :	Trade of mat, rope and yarn.
No. of Employees :	28

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 but Correct
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

NOTES

Address at your inquiry is not the registered head office but another premise.

COMPANY IDENTIFICATION

NAME	HALAT BRANDA SANAYI VE TICARET A.S.
HEAD OFFICE ADDRESS	Demirtal Mah. Kantarcilar Cad. No:15 Fatih 34134 Istanbul / Turkey
REMARKS ON HEAD OFFICE ADDRESS	The address was changed from "Kantarcilar Cad. No:19 Eminonu" to "Demirtal Mah. Kantarcilar Cad. No:15 Fatih" by the municipality.
PHONE NUMBER	90-212-514 04 68 90-212-556 12 11
FAX NUMBER	90-212-513 08 07 90-212-642 99 75
WEB-ADDRESS	www.halatbranda.com.tr
E-MAIL	info@halatbranda.com.tr

LEGAL STATUS AND HISTORY

TAX OFFICE	Hocapasa
TAX NO	7280026434
REGISTRATION NUMBER	205627
REGISTERED OFFICE	Istanbul Chamber of Commerce
COMMERCIAL REGISTRY	Istanbul Commercial Registry
DATE ESTABLISHED	19.09.1984
ESTABLISHMENT DATE/NO	GAZETTE 21.09.1984/1099
LEGAL FORM	Joint Stock Company
TYPE OF COMPANY	Private
REGISTERED CAPITAL	TL 500.000
PAID-IN CAPITAL	TL 500.000
HISTORY	Previous Name : Penye Mensucat Sanayi ve Ticaret A.S. / Changed on : 09.06.1998/(Commercial Gazette Date /Number 12.06.1998 /4560) Previous Address : Kantarcilar Cad. No:19 Eminonu Istanbul /

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Changed on : 21.02.2017/(Commercial
Gazette Date /Number 24.02.2017 /9271)

OWNERSHIP / MANAGEMENT

SHAREHOLDERS	Alper Kisbu	75 %
	Selim Sirri Kisbu	25 %

SISTER COMPANIES

- ANB GENEL TUKETIM MALZEMELERI SANAYI VE TICARET LTD. STI. (Origin: Turkey, Tax Number: 0680964382, Registration Number: 74092-5)

BOARD OF DIRECTORS
Selim Sirri Kisbu (Chairman)
Alper Kisbu (Vice-Chairman)

OPERATIONS

NOTES ON OPERATIONS The firm orders production to contract manufacturers.

BUSINESS ACTIVITIES Trade of mat, rope and yarn.

The subject orders rope and yarn to be manufactured in the name of the subject company to contract manufacturers.

NACE CODE G .51.41

SECTOR Commerce

NUMBER OF EMPLOYEES 28

NET SALES
18.227 TL Thousand (2016)
20.306 TL Thousand (2017)
10.648 TL Thousand (01.01-30.06.2018)

IMPORT VALUE 633.945 USD (2017)

IMPORT COUNTRIES
Korea
Egypt
Thailand
China
India

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	Brazil	
MERCHANDISE IMPORTED	Mat Rrope Yarn	
EXPORT VALUE	1.253 TL Thousand 2.091 TL Thousand 893 TL Thousand	(2016) (2017) (01.01-30.06.2018)
EXPORT COUNTRIES	Romania Bulgaria Albania Bosnia and Herzegovina Northern Cyprus Turkish Republic Georgia Iran Ukraine Azerbaijan Kosovo Germany U.S.A. Egypt Moldova	
MERCHANDISE EXPORTED	Rope Mat Tube Yarn	
HEAD OFFICE ADDRESS	Demirtal Mah. Kantarcilar Cad. No:15 Fatih Istanbul / Turkey	
BRANCHES	Warehouse : Sanayi Mah. Sancakli Cad. No:15 Gungoren Istanbul/Turkey (3.000 sqm) Store : Istoc Ticaret Merk. 4. Ada No:9-11-13-15 Mahmutbey Istanbul/Turkey Head Office/Store : Demirtal Mah. Kantarcilar Cad. No:15 Fatih Istanbul/Turkey (rented)	
TREND OF BUSINESS	There was a stagnating trend in 2017. There appears a slowdown at business volume in real terms in the first 6 months of 2018.	
SIZE OF BUSINESS	Large	

FINANCE

MAIN DEALING BANKS	T. Is Bankasi Merter Tekstil Merkezi Branch T. Halk Bankasi Gungoren Branch Denizbank Gungoren Branch
CREDIT FACILITIES	The subject rarely makes use of credit facilities.
PAYMENT BEHAVIOUR	Slow but Correct.

KEY FINANCIAL ELEMENTS	(2016) TL Thousand	(2017) TL Thousand	(01.01- 30.06.2018) TL Thousand
Net Sales	18.227	20.306	10.648
Profit (Loss) Before Tax	1.018	1.866	889
Stockholders' Equity	8.103	9.587	
Total Assets	10.660	11.185	
Current Assets	10.160	10.727	
Non-Current Assets	500	458	
Current Liabilities	2.557	1.598	
Gross Profit (loss)	3.167	4.199	2.368
Operating Profit (loss)	1.080	1.667	770
Net Profit (loss)	783	1.484	689

COMMENT ON FINANCIAL POSITION

Capitalization	High 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 low indebtedness to third parties.
Liquidity	High 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 Good Net Profitability in 2016 Good Operating Profitability in 2017 High Net Profitability in 2017 Good Operating Profitability (01.01-30.06.2018) High Net Profitability (01.01-30.06.2018)

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Gap between average collection and payable periods Unfavorable in 2017
General Financial Position Good

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

BALANCE SHEETS

	31.12.2016 (Full Year) TL Thousand		31.12.2017 (Full Year) TL Thousand	
CURRENT ASSETS	10.160	0,95	10.727	0,96
Not Detailed Current Assets	0	0,00	0	0,00
Cash and Banks	1.003	0,09	546	0,05
Marketable Securities	0	0,00	0	0,00
Account Receivable	4.928	0,46	4.224	0,38
Other Receivable	76	0,01	76	0,01
Inventories	3.899	0,37	5.210	0,47
Advances Given	1	0,00	107	0,01
Accumulated Construction Expense	0	0,00	0	0,00
Other Current Assets	253	0,02	564	0,05
NON-CURRENT ASSETS	500	0,05	458	0,04
Not Detailed Non-Current Assets	0	0,00	0	0,00
Long-term Receivable	0	0,00	0	0,00
Financial Assets	0	0,00	0	0,00
Tangible Fixed Assets (net)	489	0,05	435	0,04
Intangible Assets	8	0,00	7	0,00
Deferred Tax Assets	0	0,00	0	0,00
Other Non-Current Assets	3	0,00	16	0,00
TOTAL ASSETS	10.660	1,00	11.185	1,00
CURRENT LIABILITIES	2.557	0,24	1.598	0,14
Not Detailed Current Liabilities	0	0,00	0	0,00
Financial Loans	61	0,01	50	0,00
Accounts Payable	164	0,02	129	0,01
Loans from Shareholders	2.234	0,21	1.231	0,11

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Other Short-term Payable	0	0,00	16	0,00
Advances from Customers	0	0,00	0	0,00
Accumulated Construction Income	0	0,00	0	0,00
Taxes Payable	55	0,01	73	0,01
Provisions	43	0,00	99	0,01
Other Current Liabilities	0	0,00	0	0,00
LONG-TERM LIABILITIES	0	0,00	0	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	0	0,00	0	0,00
Loans from Shareholders	0	0,00	0	0,00
Other Long-term Liabilities	0	0,00	0	0,00
Provisions	0	0,00	0	0,00
STOCKHOLDERS' EQUITY	8.103	0,76	9.587	0,86
Not Detailed Stockholders' Equity	0	0,00	0	0,00
Paid-in Capital	500	0,05	500	0,04
Cross Shareholding Adjustment of Capital	0	0,00	0	0,00
Inflation Adjustment of Capital	69	0,01	69	0,01
Equity of Consolidated Firms	0	0,00	0	0,00
Reserves	4.145	0,39	4.928	0,44
Revaluation Fund	2.633	0,25	2.633	0,24
Accumulated Losses(-)	-27	0,00	-27	0,00
Net Profit (loss)	783	0,07	1.484	0,13
TOTAL LIABILITIES AND EQUITY	10.660	1,00	11.185	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	18.227	1,00	20.306	1,00	10.648	1,00
Cost of Goods Sold	15.060	0,83	16.107	0,79	8.280	0,78
Gross Profit	3.167	0,17	4.199	0,21	2.368	0,22
Operating Expenses	2.087	0,11	2.532	0,12	1.598	0,15
Operating Profit	1.080	0,06	1.667	0,08	770	0,07
Other Income	73	0,00	201	0,01	122	0,01
Other Expenses	135	0,01	2	0,00	0	0,00
Financial Expenses	0	0,00	0	0,00	3	0,00
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	1.018	0,06	1.866	0,09	889	0,08
Tax Payable	235	0,01	382	0,02	200	0,02
Postponed Tax Gain	0	0,00	0	0,00	0	0,00
Net Profit (loss)	783	0,04	1.484	0,07	689	0,06

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LAST FINANCIAL STATEMENT DETAILS

	TL Thousand
Cash	96
Banks	199
Doubtful Trade Receivables	15
Other Miscellaneous Receivables (in Other Receivable)	76
Overdue, Delayed or Deferred Tax by Installments and Other Liabilities	0

FINANCIAL RATIOS

	(2016)	(2017)
LIQUIDITY RATIOS		
Current Ratio	3,97	6,71
Acid-Test Ratio	2,35	3,03
Cash Ratio	0,39	0,34
ASSET STRUCTURE RATIOS		
Inventory/Total Assets	0,37	0,47
Short-term Receivable/Total Assets	0,47	0,38
Tangible Assets/Total Assets	0,05	0,04
TURNOVER RATIOS		
Inventory Turnover	3,86	3,09
Stockholders' Equity Turnover	2,25	2,12
Asset Turnover	1,71	1,82
FINANCIAL STRUCTURE		
Stockholders' Equity/Total Assets	0,76	0,86
Current Liabilities/Total Assets	0,24	0,14
Financial Leverage	0,24	0,14
Gearing Percentage	0,32	0,17
PROFITABILITY RATIOS		
Net Profit/Stockholders' Eq.	0,10	0,15
Operating Profit Margin	0,06	0,08
Net Profit Margin	0,04	0,07
Interest Cover		
COLLECTION-PAYMENT		
Average Collection Period (days)	97,33	74,89
Average Payable Period (days)	3,92	2,88
WORKING CAPITAL	7603,00	9129,00

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.99
UK Pound	1	INR 94.10
Euro	1	INR 83.92
TRY	1	INR 13.20

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

INFORMATION DETAILS

Analysis Done by :	NIS
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)