

## MIRA INFORM REPORT

Report No. :	538839
Report Date :	12.11.2018

### IDENTIFICATION DETAILS

Name :	CEVAHIR DERI SANAYI VE TICARET LTD. STI.
Registered Office :	Yeni Tabakhaneler 4. Sok. No:20 Gerede 14900 Bolu
Country :	Turkey
Date of Incorporation :	22.06.1995
Com. Reg. No.:	531
Legal Form :	Limited Company
Line of Business :	Tanning and Trade of Leather.
No. of Employees :	101

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> 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](mailto: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** CEVAHIR DERI SANAYI VE TICARET LTD. STI.  
**HEAD OFFICE ADDRESS** Yeni Tabakhaneler 4. Sok. No:20 Gerede 14900 Bolu / Turkey  
**PHONE NUMBER** 90-216-394 05 40 (Branch office)  
90-374-311 60 36  
**FAX NUMBER** 90-374-311 42 49  
**WEB-ADDRESS** www.cevahirderi.com

## **LEGAL STATUS AND HISTORY**

**TAX OFFICE** Bolu  
**TAX NO** 2060078671  
**REGISTRATION NUMBER** 531  
**REGISTERED OFFICE** Gerede Chamber of Commerce and Industry  
**COMMERCIAL REGISTRY** Gerede Commercial Registry  
**DATE ESTABLISHED** 22.06.1995  
**ESTABLISHMENT GAZETTE DATE/NO** 28.06.1995/3816  
**LEGAL FORM** Limited Company  
**TYPE OF COMPANY** Private  
**REGISTERED CAPITAL** TL 10.000.000  
**PAID-IN CAPITAL** TL 10.000.000  
**HISTORY**  
Previous Registered TL 1.500.000 / Changed on :  
Capital : 22.06.2012/(Commercial Gazette Date  
/Number 27.06.2012 /8099)  
Previous Registered TL 2.500.000 / Changed on :  
Capital : 23.11.2015/(Commercial Gazette Date  
/Number 26.11.2015 /8955)

## **OWNERSHIP / MANAGEMENT**

SHAREHOLDERS	Seyit Ahmet Cevahircioglu	95 %
	Zeki Serkan Cevahircioglu	5 %
SISTER COMPANIES		

- ARBA KIMYA DERI IMALAT SANAYI NAKLIYE VE EGITIM HIZMETLERI TURIZM TICARET LTD. STI. ( Origin: Turkey, Tax Number: 0730009910, Registration Number: 430 )

### SUBSIDIARIES

- Declared to be: None

DIRECTORS	Seyit Ahmet Cevahircioglu ( General Manager )
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## **OPERATIONS**

BUSINESS ACTIVITIES	Tanning and Trade of Leather.	
NACE CODE	DC.19.10	
SECTOR	Leather	
NUMBER OF EMPLOYEES	101	
NET SALES	38.643 TL Thousand	(2013)
	52.065 TL Thousand	(2014)
	59.510 TL Thousand	(2015)
	49.415 TL Thousand	(01.01-30.09.2016)
IMPORT COUNTRIES	Italy Germany U.S.A.	
MERCHANDISE IMPORTED	Machinery Raw materials	
EXPORT VALUE	4.387 TL Thousand	(2013)
	1.681 TL Thousand	(2014)
	272 TL Thousand	(2015)
	2.234 TL Thousand	(01.01-30.09.2016)
EXPORT COUNTRIES	Italy Hong-Kong	

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MERCHANDISE EXPORTED	South Korea Austria Israel Leather
HEAD OFFICE ADDRESS	Yeni Tabakhaneler 4. Sok. No:20 Gerede Bolu / Turkey
BRANCHES	Head Office/Processing Plant : Yeni Tabakhaneler 4. Sok. No:20 Gerede 14900 Bolu/Turkey ( owned ) Branch Office : Istanbul Deri Organize Sanayi Bolgesi V-3 Parsel Tuzla Istanbul/Turkey ( owned )
TREND OF BUSINESS	There was an upwards trend in 2014 and 2015. There appears an upwards trend in the first 9 months of 2016.

## **FINANCE**

MAIN DEALING BANKS	T.C. Ziraat Bankasi Istanbul Girisimci Branch T. Garanti Bankasi Bolu Branch Yapi ve Kredi Bankasi Tepeoren Osb Branch QNB Finansbank Gebze Branch
PAYMENT BEHAVIOUR	Slow but correct

KEY FINANCIAL ELEMENTS	<b>(2016)</b>	<b>(2017)</b>
	TL	TL
Profit (Loss) Before Tax	3.676.740	4.582.482

## **COMMENT ON FINANCIAL POSITION**

General Financial Position	The firm is profitable. The firm has a high amount of capital. The liability of the shareholders is limited to the capital.
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## **CREDIT OPINION WITHOUT OBLIGATION**

Incr. producers' price index	in	Average USD/TL	Average EUR/TL	Average GBP/ TL
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( 2013 )	6,97 %	1,9179	2,5530	3,0178
( 2014 )	6,36 %	2,1891	2,8989	3,6060
( 2015 )	5,71 %	2,7230	3,0254	4,1661
( 01.01-30.09.2016 )	3,79 %	2,9323	3,2588	4,0899
( 2016 )	9,94 %	3,0292	3,3349	4,1006
( 2017 )	15,47 %	3,6337	4,1120	4,7059
( 01.01-30.09.2018 )	38,96 %	4,5878	5,4581	6,1749

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.73
UK Pound	1	INR 94.87
Euro	1	INR 82.52
TL	1	INR 13.26

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV
<b>Report Prepared by :</b>	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)