

MIRA INFORM REPORT

Report No. :	539376
Report Date :	16.11.2018

IDENTIFICATION DETAILS

Name :	OBIAL ENDUSTRI URUNLERI SANAYI ITHALAT IHRACAT A.S.
Registered Office :	Erenler Organize Sanayi Bolgesi Mehmet Altinsoy Bulvari No:27/C Merkez 68220 Aksaray
Country :	Turkey
Financials (as on) :	31.12.2017
Date of Incorporation :	08.02.2001
Com. Reg. No.:	5057
Legal Form :	Joint Stock Company
Line of Business :	Manufacture and trade of galvanized steel silo for grain storage and its machinery and equipment.
No. of Employees :	34

RATING & COMMENTS

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

MIRA's Rating :

B

Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Slow
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

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	OBIAL ENDUSTRI URUNLERI SANAYI ITHALAT IHRACAT A.S.
HEAD OFFICE ADDRESS	Erenler Organize Sanayi Bolgesi Mehmet Altinsoy Bulvari No:27/C Merkez 68220 Aksaray / Turkey
PHONE NUMBER	90-382-266 24 74
FAX NUMBER	90-382-266 24 52
WEB-ADDRESS	www.obial.com.tr
E-MAIL	info@obial.com.tr

LEGAL STATUS AND HISTORY

TAX OFFICE	Aksaray
TAX NO	6320149415
REGISTRATION NUMBER	5057
REGISTERED OFFICE	Aksaray Chamber of Commerce and Industry
COMMERCIAL REGISTRY	Aksaray Commercial Registry
DATE ESTABLISHED	08.02.2001
ESTABLISHMENT GAZETTE DATE/NO	28.02.2001/5246
LEGAL FORM	Joint Stock Company
TYPE OF COMPANY	Private
REGISTERED CAPITAL	TL 250.000
PAID-IN CAPITAL	TL 250.000
HISTORY	Previous Registered Capital : TL 100.000 / Changed on : 02.07.2008/(Commercial Gazette Date /Number 17.07.2008 /7107) Previous Address : E-90 Karayolu Adana Istikameti 18. Km Aksaray / Changed on : 29.06.2016/(Commercial Gazette Date /Number 11.07.2016 /9112) Previous Address : Erenler Organize Sanayi Bolgesi Mehmet Altinsoy Bulvari No:27 Merkez Aksaray / Changed on : 14.07.2016/(Commercial Gazette Date /Number 21.07.2016 /9120)

OWNERSHIP / MANAGEMENT

SHAREHOLDERS	Osman Altuntas	39 %
	Bekir Altuntas	31 %
	Imdat Altuntas	27 %
	Sevim Altuntas	1 %
	Kibar Altuntas	1 %
	Feride Altuntas	1 %

GROUP ALTUNTAS GROUP OF COMPANIES

SISTER COMPANIES

- AEM ELEKTIRIK MOTORLARI SANAYI VE TICARET A.S. (Origin: Turkey, Tax Number: 0080847988, Registration Number: 8937)
- ALTUNTAS HAVALANDIRMA TURIZM SANAYI TICARET A.S. (Origin: Turkey, Tax Number: 0680562279, Registration Number: 3002)
- ALTUNTAS TARIM URUNLERI LISANSLI DEPOCULUK A.S. (Origin: Turkey, Tax Number: 0671154088, Registration Number: 8767)
- MAFAL CELIK SILO LOJISTIK INSAAT PETROL VE ENERJİ SANAYI TICARET A.S. (Origin: Turkey, Tax Number: 6100362387, Registration Number: 6352)

BOARD OF DIRECTORS
Osman Altuntas (Chairman)
Bekir Altuntas (Vice-Chairman)
Imdat Altuntas (Member)

OPERATIONS

BUSINESS ACTIVITIES	Manufacture and trade of galvanized steel silo for grain storage and its machinery and equipment.		
NACE CODE	DJ.28.71		
TRADEMARKS OWNED	Obial		
NUMBER OF EMPLOYEES	34		
NET SALES	28.151 TL Thousand	(2016)	
	26.472 TL Thousand	(2017)	
	31.953 TL Thousand	(01.01-30.09.2018)	
CAPACITY	(kgs/yr)	(units/yr)	
	1.321.599	247	(2018)

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IMPORT VALUE	0 TL 0 TL 0 TL	(2016) (2017) (01.01-31.10.2018)
EXPORT VALUE	20.296 TL Thousand 20.491 TL Thousand 27.565 TL Thousand	(2016) (2017) (01.01-30.09.2018)
EXPORT COUNTRIES	Egypt Thailand Vietnam Belgium Iran	
MERCHANDISE EXPORTED	Steel silo	
HEAD OFFICE ADDRESS	Erenler Organize Sanayi Bolgesi Mehmet Altinsoy Bulvari No:27/C Merkez Aksaray / Turkey (rented) (35.000 sqm)	
BRANCHES	Head Office/Production Plant : Erenler Organize Sanayi Bolgesi Mehmet Altinsoy Bulvari No:27/C Merkez Aksaray/Turkey (rented) (35.000 sqm)	
TREND OF BUSINESS	There was a decline at business volume in nominal terms in 2017. There appears an upwards trend in the first 9 months of 2018.	
SIZE OF BUSINESS	Large	

FINANCE

MAIN DEALING BANKS	T. Is Bankasi Aksaray Branch Akbank Aksaray Branch Yapi ve Kredi Bankasi Konya Branch		
CREDIT FACILITIES	No credit facility has come to our knowledge.		
PAYMENT BEHAVIOUR	Slow		
KEY FINANCIAL ELEMENTS	(2016) TL Thousand	(2017) TL Thousand	(01.01- 30.09.2018) TL Thousand
	Net Sales	28.151	26.472
	Profit (Loss) Before Tax	543	753
			977

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Stockholders' Equity	1.513	2.115	
Total Assets	15.366	26.941	
Current Assets	11.754	22.981	
Non-Current Assets	3.612	3.960	
Current Liabilities	13.853	24.826	
Gross Profit (loss)	1.726	3.235	2.558
Operating Profit (loss)	235	-416	-993
Net Profit (loss)	543	602	977

COMMENT ON FINANCIAL POSITION

Capitalization	Low As of 31.12.2017
Liquidity	Satisfactory 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	Low Operating Profitability in 2016 Low Net Profitability in 2016 Operating Loss in 2017 Fair Net Profitability in 2017 Operating Loss (01.01-30.09.2018) Fair Net Profitability (01.01-30.09.2018)
Gap between average collection and payable periods	Unfavorable in 2017
General Financial Position	Not in order

	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
(01.01-30.09.2018)	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	11.754	0,76	22.981	0,85
Not Detailed Current Assets	0	0,00	0	0,00
Cash and Banks	286	0,02	581	0,02

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Marketable Securities	0	0,00	0	0,00
Account Receivable	9.218	0,60	18.801	0,70
Other Receivable	71	0,00	109	0,00
Inventories	1.798	0,12	1.215	0,05
Advances Given	3	0,00	1.754	0,07
Accumulated Construction Expense	0	0,00	0	0,00
Other Current Assets	378	0,02	521	0,02
NON-CURRENT ASSETS	3.612	0,24	3.960	0,15
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)	3.611	0,23	3.958	0,15
Intangible Assets	0	0,00	0	0,00
Deferred Tax Assets	0	0,00	0	0,00
Other Non-Current Assets	1	0,00	2	0,00
TOTAL ASSETS	15.366	1,00	26.941	1,00
CURRENT LIABILITIES	13.853	0,90	24.826	0,92
Not Detailed Current Liabilities	0	0,00	0	0,00
Financial Loans	0	0,00	0	0,00
Accounts Payable	8.141	0,53	14.609	0,54
Loans from Shareholders	2.308	0,15	5.576	0,21
Other Short-term Payable	125	0,01	200	0,01
Advances from Customers	3.210	0,21	4.142	0,15
Accumulated Construction Income	0	0,00	0	0,00
Taxes Payable	69	0,00	149	0,01
Provisions	0	0,00	150	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	1.513	0,10	2.115	0,08
Not Detailed Stockholders' Equity	0	0,00	0	0,00
Paid-in Capital	250	0,02	250	0,01
Cross Shareholding Adjustment of Capital	0	0,00	0	0,00
Inflation Adjustment of Capital	0	0,00	0	0,00
Equity of Consolidated Firms	0	0,00	0	0,00
Reserves	720	0,05	1.263	0,05
Revaluation Fund	0	0,00	0	0,00
Accumulated Losses(-)	0	0,00	0	0,00
Net Profit (loss)	543	0,04	602	0,02
TOTAL LIABILITIES AND EQUITY	15.366	1,00	26.941	1,00

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INCOME STATEMENTS

	(2016) (Full Year) TL Thousand		(2017) (Full Year) TL Thousand		(01.01- 30.09.2018) (Interim Period) TL Thousand	
Net Sales	28.151	1,00	26.472	1,00	31.953	1,00
Cost of Goods Sold	26.425	0,94	23.237	0,88	29.395	0,92
Gross Profit	1.726	0,06	3.235	0,12	2.558	0,08
Operating Expenses	1.491	0,05	3.651	0,14	3.551	0,11
Operating Profit	235	0,01	-416	-0,02	-993	-0,03
Other Income	1.134	0,04	1.950	0,07	5.516	0,17
Other Expenses	826	0,03	781	0,03	3.524	0,11
Financial Expenses	0	0,00	0	0,00	22	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	543	0,02	753	0,03	977	0,03
Tax Payable	0	0,00	151	0,01	0	0,00
Postponed Tax Gain	0	0,00	0	0,00	0	0,00
Net Profit (loss)	543	0,02	602	0,02	977	0,03

LAST FINANCIAL STATEMENT DETAILS

	TL Thousand
Cash	34
Banks	547
Doubtful Trade Receivables	78
Provision for Doubtful Trade Receivables	-7
Other Miscellaneous Receivables (in Other Receivable)	109
Overdue, Delayed or Deferred Tax by Installments and Other Liabilities	0
Profit from Foreign Currency Exchange	5.492
Loss from Foreign Currency Exchange	5.446

FINANCIAL RATIOS

	(2016)	(2017)
LIQUIDITY RATIOS		
Current Ratio	0,85	0,93
Acid-Test Ratio	0,69	0,79
Cash Ratio	0,02	0,02
ASSET STRUCTURE RATIOS		
Inventory/Total Assets	0,12	0,05
Short-term Receivable/Total Assets	0,60	0,70
Tangible Assets/Total Assets	0,23	0,15
TURNOVER RATIOS		
Inventory Turnover	14,70	19,13
Stockholders' Equity Turnover	18,61	12,52

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Asset Turnover	1,83	0,98
FINANCIAL STRUCTURE		
Stockholders' Equity/Total Assets	0,10	0,08
Current Liabilities/Total Assets	0,90	0,92
Financial Leverage	0,90	0,92
Gearing Percentage	9,16	11,74
PROFITABILITY RATIOS		
Net Profit/Stockholders' Eq.	0,36	0,28
Operating Profit Margin	0,01	-0,02
Net Profit Margin	0,02	0,02
Interest Cover		
COLLECTION-PAYMENT		
Average Collection Period (days)	117,88	255,68
Average Payable Period (days)	110,91	226,33
WORKING CAPITAL	-2099,00	-1845,00

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.16
UK Pound	1	INR 93.95
Euro	1	INR 81.83
TRY	1	INR 13.42

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	KET

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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)