

MIRA INFORM REPORT

Report No. :	541503
Report Date :	22.11.2018

IDENTIFICATION DETAILS

Name :	OR-HAN INSAAT TICARET VE SANAYI LTD. STI.
Registered Office :	Cemalpasa Mah. Fuzuli Cad. No:77 Seyhan 01120 Adana
Country :	Turkey
Date of Incorporation :	19.09.1989
Com. Reg. No.:	22609
Legal Form :	Limited Company
Line of Business :	Construction and contracting. The subject also deals with trade of construction materials
No. of Employees :	35

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 :	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

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

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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.

2018 is a year in which risks increased in Turkey due to high devaluation and volatility of foreign exchange rate (EUR/TRY was 4.20 in January 2018 increased to 7.20 in August and now it is 6.07) So this devaluation caused a tremendous increase at inflation and created an uncertainty. There is a sharp decline at domestic demand and many companies are facing financial difficulty.

Source : CIA

COMPANY IDENTIFICATION

NAME	OR-HAN INSAAT TICARET VE SANAYI LTD. STI.
HEAD OFFICE ADDRESS	Cemalpasa Mah. Fuzuli Cad. No:77 Seyhan 01120 Adana / Turkey
PHONE NUMBER	90-322-457 27 57
FAX NUMBER	90-322-454 49 72
WEB-ADDRESS	or-haninsaat.com
E-MAIL	burol@or-hanins.com

LEGAL STATUS AND HISTORY

TAX OFFICE	Yuregir
TAX NO	6440014575
REGISTRATION NUMBER	22609
REGISTERED OFFICE	Adana Chamber of Commerce
COMMERCIAL REGISTRY	Adana Commercial Registry
DATE ESTABLISHED	19.09.1989
LEGAL FORM	Limited Company
TYPE OF COMPANY	Private
REGISTERED CAPITAL	TL 15.000.000
HISTORY	Previous Registered Capital : TL 300.000 / Changed on : 27.12.2016/(Commercial Gazette Date /Number 06.01.2017 /9236) Previous Address : Fuzuli Cad. No:83 Adana / Changed on : 10.02.2009/(Commercial Gazette Date /Number 20.02.2009 /7254)

OWNERSHIP / MANAGEMENT

SHAREHOLDERS	Halil Avci	40 %
	Makbule Avci	30 %
	Billur Avci	15 %
	Orhan Murat Avci	15 %

DIRECTORS Orhan Murat Avci
Fahri Dede Avci
Halil Avci (General Manager)

OPERATIONS

BUSINESS ACTIVITIES Construction and contracting. The subject also deals with trade of construction materials.

UNDERTAKEN PROJECTS	Name Of Project	Place Of Project
	Construction and contracting of Atasehir Residential Housing Project	Istanbul-Turkiye
	Construction and contracting of Duzici Industrial Vocational School	Osmaniye-Turkiye
	Construction and contracting of Sariz The Fifty-Bed State Hospital	Kayseri-Turkiye

NACE CODE F .45.21

NUMBER OF EMPLOYEES 35

NET SALES 70.873 TL Thousand (2017)
21.028 TL Thousand (01.01-30.06.2018)

NOTES ON NET SALES The sales figures are declared by the company. There is no certification for these figures.

IMPORT VALUE 0 TL (2016)
0 TL (2017)
0 TL (01.01-30.09.2018)

EXPORT COUNTRIES Turkmenistan

MERCHANDISE EXPORTED Construction materials

HEAD OFFICE ADDRESS Cemalpasa Mah. Fuzuli Cad. No:77 Seyhan Adana / Turkey

TREND OF BUSINESS There appears a decline at business volume in nominal terms in the first 6 months of 2018.

FINANCE

MAIN DEALING BANKS T. Is Bankasi Adana Ticari Branch

PAYMENT BEHAVIOUR No Complaints.

KEY FINANCIAL ELEMENTS	(2015) TL Thousand	(2016) TL Thousand	(2017) TL Thousand
Net Sales			70.873
Profit (Loss) Before Tax	4.378	7.091	6.433

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.

	Incr. in producers' price index	Average USD/TL	Average EUR/TL	Average GBP/ TL
(2015)	5,71 %	2,7230	3,0254	4,1661
(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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.33
UK Pound	1	INR 91.72
Euro	1	INR 81.69
TRY	1	INR 13.39

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

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	NIT

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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)