

## MIRA INFORM REPORT

Report No. :	541836
Report Date :	29.11.2018

### IDENTIFICATION DETAILS

Name :	ARAM GROUP GIDA NAKLIYE VE GENEL TICARET LTD. STI.
Registered Office :	Rami Yeni Mah. Kuru Gida 11. Sok. No:18-1 Eyupsultan 34055 Istanbul
Country :	Turkey
Financials (as on) :	31.12.2017
Date of Incorporation :	08.10.2015
Com. Reg. No.:	3311-5
Legal Form :	Limited Company
Line of Business :	Wholesale trade of food and cleaning products.
No. of Employees :	1

### RATING & COMMENTS

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

MIRA's Rating :	C
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Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

Status :	Moderate
Payment Behaviour :	Slow
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.

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	ARAM GROUP GIDA NAKLIYE VE GENEL TICARET LTD. STI.
HEAD OFFICE ADDRESS	Rami Yeni Mah. Kuru Gida 11. Sok. No:18-1 Eyupsultan 34055 Istanbul / Turkey
PHONE NUMBER	90-505-033 33 31

## **LEGAL STATUS AND HISTORY**

TAX OFFICE	Bayrampasa
TAX NO	0710439992
REGISTRATION NUMBER	3311-5
REGISTERED OFFICE	Istanbul Chamber of Commerce
COMMERCIAL REGISTRY	Istanbul Commercial Registry
DATE ESTABLISHED	08.10.2015
ESTABLISHMENT GAZETTE DATE/NO	14.10.2015/8925
LEGAL FORM	Limited Company
TYPE OF COMPANY	Private
REGISTERED CAPITAL	TL 100.000
PAID-IN CAPITAL	TL 100.000
HISTORY	Previous Address : Basaksehir Mah. Erciyes Sok. Basaksehir 2.Etap Sit. D36 Apt. No:11/24 Basaksehir Istanbul / Changed on : 22.09.2016/(Commercial Gazette Date /Number 28.09.2016 /9164)

## **OWNERSHIP / MANAGEMENT**

SHAREHOLDERS	Mahmoud Rahmoun	100 %
DIRECTORS	Mahmoud Rahmoun ( General Manager )	

## **OPERATIONS**

BUSINESS ACTIVITIES	Wholesale trade of food and cleaning products.	
NACE CODE	G .51.90	
ISIC Code	4690	
SECTOR	Commerce	
NUMBER OF EMPLOYEES	1	
NET SALES	782.054 TL	(2016)
	1.245.888 TL	(2017)
	2.348.709 TL	(01.01-30.09.2018)
CAPACITY	None	
PRODUCTION	None	
IMPORT VALUE	0 TL	(2016)
	0 TL	(2017)
EXPORT VALUE	197.960 TL	(2016)
	704.468 TL	(2017)
	2.287.709 TL	(01.01-30.09.2018)
EXPORT COUNTRIES	Syria	
MERCHANDISE EXPORTED	Food and cleaning products	
HEAD OFFICE ADDRESS	Rami Yeni Mah. Kuru Gida 11. Sok. No:18-1 Eyupsultan Istanbul / Turkey	
NOTES ON INVESTMENTS	None	
TREND OF BUSINESS	There was an upwards trend in 2017. There appears an upwards trend in the first 9 months of 2018.	
SIZE OF BUSINESS	Moderate	

## **FINANCE**

CREDIT FACILITIES	No credit facility has come to our knowledge.
PAYMENT BEHAVIOUR	Slow

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KEY FINANCIAL ELEMENTS	(2016) TL	(2017) TL	(01.01- 30.09.2018) TL
Net Sales	782.054	1.245.888	2.348.709
Profit (Loss) Before Tax	10.131	857	1.084
Stockholders' Equity	106.643	107.330	
Total Assets	1.030.654	2.305.216	
Current Assets	1.005.019	2.305.216	
Non-Current Assets	25.635		
Current Liabilities	924.011	2.197.886	
Gross Profit (loss)	10.477	153.878	175.779
Operating Profit (loss)	10.131	-2.532	1.084
Net Profit (loss)	8.470	686	1.084

## **COMMENT ON FINANCIAL POSITION**

Capitalization	Low As of 31.12.2017
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	Low Operating Profitability in 2016 Low Net Profitability in 2016 Operating Loss in 2017 Low Net Profitability in 2017 Low Operating Profitability (01.01-30.09.2018) Low Net Profitability (01.01-30.09.2018)
Gap between average collection and payable periods	Favorable in 2017
General Financial Position	Unsatisfactory

## **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

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( 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		31.12.2017 ( Full Year ) TL	
CURRENT ASSETS	1.005.019	0,98	2.305.216	1,00
Not Detailed Current Assets	0	0,00	0	0,00
Cash and Banks	119.201	0,12	9.583	0,00
Marketable Securities	0	0,00	0	0,00
Account Receivable	285.740	0,28	973.694	0,42
Other Receivable	0	0,00	8.643	0,00
Inventories	555.411	0,54	1.224.156	0,53
Advances Given	0	0,00	0	0,00
Accumulated Construction Expense	0	0,00	0	0,00
Other Current Assets	44.667	0,04	89.140	0,04
NON-CURRENT ASSETS	25.635	0,02	0	0,00
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)	25.635	0,02	0	0,00
Intangible Assets	0	0,00	0	0,00
Deferred Tax Assets	0	0,00	0	0,00
Other Non-Current Assets	0	0,00	0	0,00
TOTAL ASSETS	1.030.654	1,00	2.305.216	1,00
CURRENT LIABILITIES	924.011	0,90	2.197.886	0,95
Not Detailed Current Liabilities	0	0,00	0	0,00
Financial Loans	0	0,00	0	0,00
Accounts Payable	920.332	0,89	1.917.203	0,83
Loans from Shareholders	0	0,00	276.837	0,12
Other Short-term Payable	0	0,00	0	0,00
Advances from Customers	0	0,00	0	0,00
Accumulated Construction Income	0	0,00	0	0,00
Taxes Payable	3.679	0,00	3.674	0,00
Provisions	0	0,00	172	0,00
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

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STOCKHOLDERS' EQUITY	106.643	0,10	107.330	0,05
Not Detailed Stockholders' Equity	0	0,00	0	0,00
Paid-in Capital	100.000	0,10	100.000	0,04
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	0	0,00	8.470	0,00
Revaluation Fund	0	0,00	0	0,00
Accumulated Losses(-)	-1.827	0,00	-1.826	0,00
Net Profit (loss)	8.470	0,01	686	0,00
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1.030.654</b>	<b>1,00</b>	<b>2.305.216</b>	<b>1,00</b>

**INCOME STATEMENTS**

	(2016) ( Full Year ) TL		(2017) ( Full Year ) TL		(01.01- 30.09.2018) ( Interim Period ) TL	
Net Sales	782.054	1,00	1.245.888	1,00	2.348.709	1,00
Cost of Goods Sold	771.577	0,99	1.092.010	0,88	2.172.930	0,93
Gross Profit	10.477	0,01	153.878	0,12	175.779	0,07
Operating Expenses	346	0,00	156.410	0,13	174.695	0,07
Operating Profit	10.131	0,01	-2.532	0,00	1.084	0,00
Other Income	0	0,00	3.389	0,00	0	0,00
Other Expenses	0	0,00	0	0,00	0	0,00
Financial Expenses	0	0,00	0	0,00	0	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	10.131	0,01	857	0,00	1.084	0,00
Tax Payable	1.661	0,00	171	0,00	0	0,00
Postponed Tax Gain	0	0,00	0	0,00	0	0,00
Net Profit (loss)	8.470	0,01	686	0,00	1.084	0,00

**LAST FINANCIAL STATEMENT DETAILS**

Cash	9.521	TL
Banks	62	
Doubtful Trade Receivables	0	
Other Miscellaneous Receivables (in Other Receivable)	8.643	
Overdue, Delayed or Deferred Tax by Installments and Other Liabilities	0	

**FINANCIAL RATIOS**

	(2016)	(2017)
<b>LIQUIDITY RATIOS</b>		

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Current Ratio	1,09	1,05
Acid-Test Ratio	0,44	0,45
Cash Ratio	0,13	0,00
<b>ASSET STRUCTURE RATIOS</b>		
Inventory/Total Assets	0,54	0,53
Short-term Receivable/Total Assets	0,28	0,43
Tangible Assets/Total Assets	0,02	0,00
<b>TURNOVER RATIOS</b>		
Inventory Turnover	1,39	0,89
Stockholders' Equity Turnover	7,33	11,61
Asset Turnover	0,76	0,54
<b>FINANCIAL STRUCTURE</b>		
Stockholders' Equity/Total Assets	0,10	0,05
Current Liabilities/Total Assets	0,90	0,95
Financial Leverage	0,90	0,95
Gearing Percentage	8,66	20,48
<b>PROFITABILITY RATIOS</b>		
Net Profit/Stockholders' Eq.	0,08	0,01
Operating Profit Margin	0,01	0,00
Net Profit Margin	0,01	0,00
Interest Cover		
<b>COLLECTION-PAYMENT</b>		
Average Collection Period (days)	131,53	281,35
Average Payable Period (days)	429,41	632,04
<b>WORKING CAPITAL</b>	81008,00	107330,00

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.67
UK Pound	1	INR 90.14
Euro	1	INR 79.88
TRY	1	INR 13.54

**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)