

## MIRA INFORM REPORT

Report No. :	535251
Report Date :	19.10.2018

### IDENTIFICATION DETAILS

Name :	ENHAS MAKINA SANAYI VE TICARET LTD. STI.
Registered Office :	Beysan Sanayi Sitesi Birlik Cad. No:17 Yakuplu Beylikduzu 34524 Istanbul
Country :	Turkey
Financials (as on) :	31.12.2017
Date of Incorporation :	22.01.1998
Com. Reg. No.:	387898
Legal Form :	Limited Company
Line of Business :	Manufacture and trade of spare parts for weaving machines.
No. of Employees :	20

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	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

## **COMPANY IDENTIFICATION**

NAME	ENHAS MAKINA SANAYI VE TICARET LTD. STI.
HEAD OFFICE ADDRESS	Beysan Sanayi Sitesi Birlik Cad. No:17 Yakuplu Beylikduzu 34524 Istanbul / Turkey
PHONE NUMBER	90-212-422 61 14 90-212-422 61 42
FAX NUMBER	90-212-422 40 53
WEB-ADDRESS	www.enhasmakina.com
E-MAIL	info@enhasmakina.com

## **LEGAL STATUS AND HISTORY**

TAX OFFICE	Beylikduzu
TAX NO	3350074777
REGISTRATION NUMBER	387898
REGISTERED OFFICE	Istanbul Chamber of Commerce
COMMERCIAL REGISTRY	Istanbul Commercial Registry
DATE ESTABLISHED	22.01.1998
ESTABLISHMENT GAZETTE DATE/NO	03.03.1998/4493
LEGAL FORM	Limited Company
TYPE OF COMPANY	Private
REGISTERED CAPITAL	TL 1.600.000
PAID-IN CAPITAL	TL 1.600.000
HISTORY	Previous Registered Capital : TL 1.200.000 / Changed on : 26.05.2010/(Commercial Gazette Date /Number 01.06.2010 /7575)

## **OWNERSHIP / MANAGEMENT**

SHAREHOLDERS	Hasan Puskul	50 %
	Bingul Puskul	50 %

SISTER COMPANIES

- BUEM SANAYI PAZARLAMA DANISMANLIK VE DIS TICARET LTD. STI. ( Origin: Turkey, Tax Number: 1880404247, Registration Number: 541860 )

DIRECTORS Hasan Puskul  
Bingul Puskul

**OPERATIONS**

BUSINESS ACTIVITIES Manufacture and trade of spare parts for weaving machines.

NACE CODE DK.29.54

NUMBER OF EMPLOYEES 20

NET SALES 10.864 TL Thousand (2016)  
22.501 TL Thousand (2017)  
13.403 TL Thousand (01.01-30.06.2018)

IMPORT VALUE 1.301.755 USD (2017)

IMPORT COUNTRIES Germany

MERCHANDISE IMPORTED Spare parts

EXPORT VALUE 1.349 TL Thousand (2016)  
4.323 TL Thousand (2017)  
4.192 TL Thousand (01.01-30.06.2018)

EXPORT COUNTRIES Bulgaria  
Austria  
Belgium  
Portugal  
Germany  
Italy  
Hong-Kong  
Sri Lanka  
India  
Pakistan  
South Africa  
U.S.A.  
Spain

MERCHANDISE EXPORTED Parts of weaving machines

HEAD OFFICE ADDRESS Beysan Sanayi Sitesi Birlik Cad. No:17 Yakuplu Beylikduzu Istanbul / Turkey

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BRANCHES Head Office/Production Plant : Beysan Sanayi Sitesi Birlik Cad. No:17  
Yakuplu Beylikduzu Istanbul/Turkey

TREND OF BUSINESS There was an upwards 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**

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	10.864	22.501	13.403
Profit (Loss) Before Tax	372	1.074	200
Stockholders' Equity	9.687	10.998	
Total Assets	18.699	16.899	
Current Assets	12.356	6.958	
Non-Current Assets	6.343	9.941	
Current Liabilities	8.267	4.304	
Long-Term Liabilities	745	1.597	
Gross Profit (loss)	2.789	3.628	1.264
Operating Profit (loss)	224	945	170
Net Profit (loss)	292	839	200

## **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 not too high indebtedness  
to third parties.

Liquidity Satisfactory As of 31.12.2017

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Profitability	Fair Operating Profitability in 2016 Fair Net Profitability in 2016 In Order Operating Profitability in 2017 In Order Net Profitability in 2017 Low Operating Profitability (01.01-30.06.2018) Low Net Profitability (01.01-30.06.2018)
Gap between average collection and payable periods	Unfavorable in 2017
General Financial Position	In Order

## **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	12.356	0,66	6.958	0,41
Not Detailed Current Assets	0	0,00	0	0,00
Cash and Banks	36	0,00	91	0,01
Marketable Securities	0	0,00	0	0,00
Account Receivable	3.071	0,16	4.810	0,28
Other Receivable	0	0,00	0	0,00
Inventories	8.791	0,47	740	0,04
Advances Given	70	0,00	440	0,03
Accumulated Construction Expense	0	0,00	0	0,00
Other Current Assets	388	0,02	877	0,05
NON-CURRENT ASSETS	6.343	0,34	9.941	0,59
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)	6.073	0,32	9.732	0,58
Intangible Assets	21	0,00	29	0,00
Deferred Tax Assets	0	0,00	0	0,00
Other Non-Current Assets	249	0,01	180	0,01
TOTAL ASSETS	18.699	1,00	16.899	1,00

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CURRENT LIABILITIES	8.267	0,44	4.304	0,25
Not Detailed Current Liabilities	0	0,00	0	0,00
Financial Loans	133	0,01	82	0,00
Accounts Payable	3.117	0,17	2.160	0,13
Loans from Shareholders	4.460	0,24	189	0,01
Other Short-term Payable	43	0,00	4	0,00
Advances from Customers	476	0,03	1.623	0,10
Accumulated Construction Income	0	0,00	0	0,00
Taxes Payable	14	0,00	97	0,01
Provisions	24	0,00	149	0,01
Other Current Liabilities	0	0,00	0	0,00
LONG-TERM LIABILITIES	745	0,04	1.597	0,09
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	745	0,04	597	0,04
Loans from Shareholders	0	0,00	1.000	0,06
Other Long-term Liabilities	0	0,00	0	0,00
Provisions	0	0,00	0	0,00
STOCKHOLDERS' EQUITY	9.687	0,52	10.998	0,65
Not Detailed Stockholders' Equity	0	0,00	0	0,00
Paid-in Capital	1.600	0,09	1.600	0,09
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	2.751	0,15	3.515	0,21
Revaluation Fund	5.044	0,27	5.044	0,30
Accumulated Losses(-)	0	0,00	0	0,00
Net Profit (loss)	292	0,02	839	0,05
TOTAL LIABILITIES AND EQUITY	18.699	1,00	16.899	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	10.864	1,00	22.501	1,00	13.403	1,00
Cost of Goods Sold	8.075	0,74	18.873	0,84	12.139	0,91
Gross Profit	2.789	0,26	3.628	0,16	1.264	0,09
Operating Expenses	2.565	0,24	2.683	0,12	1.094	0,08
Operating Profit	224	0,02	945	0,04	170	0,01
Other Income	219	0,02	543	0,02	261	0,02
Other Expenses	57	0,01	310	0,01	177	0,01
Financial Expenses	14	0,00	104	0,00	54	0,00
Minority Interests	0	0,00	0	0,00	0	0,00

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Profit (loss) of consolidated firms	0	0,00	0	0,00	0	0,00
Profit (loss) Before Tax	372	0,03	1.074	0,05	200	0,01
Tax Payable	80	0,01	235	0,01	0	0,00
Postponed Tax Gain	0	0,00	0	0,00	0	0,00
Net Profit (loss)	292	0,03	839	0,04	200	0,01

## **LAST FINANCIAL STATEMENT DETAILS**

	TL Thousand
Cash	6
Banks	85
Doubtful Trade Receivables	39
Provision for Doubtful Trade Receivables	-24
Overdue, Delayed or Deferred Tax by Installments and Other Liabilities	83

## **FINANCIAL RATIOS**

	(2016)	(2017)
<b>LIQUIDITY RATIOS</b>		
Current Ratio	1,49	1,62
Acid-Test Ratio	0,38	1,14
Cash Ratio	0,00	0,02
<b>ASSET STRUCTURE RATIOS</b>		
Inventory/Total Assets	0,47	0,04
Short-term Receivable/Total Assets	0,16	0,28
Tangible Assets/Total Assets	0,32	0,58
<b>TURNOVER RATIOS</b>		
Inventory Turnover	0,92	25,50
Stockholders' Equity Turnover	1,12	2,05
Asset Turnover	0,58	1,33
<b>FINANCIAL STRUCTURE</b>		
Stockholders' Equity/Total Assets	0,52	0,65
Current Liabilities/Total Assets	0,44	0,25
Financial Leverage	0,48	0,35
Gearing Percentage	0,93	0,54
<b>PROFITABILITY RATIOS</b>		
Net Profit/Stockholders' Eq.	0,03	0,08
Operating Profit Margin	0,02	0,04
Net Profit Margin	0,03	0,04
Interest Cover	27,57	11,33
<b>COLLECTION-PAYMENT</b>		
Average Collection Period (days)	101,76	76,96
Average Payable Period (days)	172,18	52,59
<b>WORKING CAPITAL</b>	4089,00	2654,00

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.48
UK Pound	1	INR 96.87
Euro	1	INR 84.98
TRY	1	INR 13.01

**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>	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)