

MIRA INFORM REPORT

Report No. :	537019
Report Date :	27.10.2018

IDENTIFICATION DETAILS

Name :	PRODEM URUN GELISTIRME SANAYI VE TICARET LTD. STI
Formerly Known As :	PRODEM DIS TICARET LTD. STI.
Registered Office :	Etiler Mah. Nispetiye Cad. No:130 D:5 Besiktas 34337 Istanbul
Country :	Turkey
Financials (as on) :	31.12.2017
Date of Incorporation :	28.11.1986
Com. Reg. No.:	228839
Legal Form :	Limited Company
Line of Business :	Quarrying and trade of marble, granite and natural stone
No. of Employees :	20

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd 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 and delayed
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.

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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 PRODEM URUN GELISTIRME SANAYI VE TICARET LTD. STI.
HEAD OFFICE ADDRESS Etiler Mah. Nispetiye Cad. No:130 D:5 Besiktas 34337 Istanbul / Turkey
PHONE NUMBER 90-212-358 49 40
FAX NUMBER 90-212-358 49 43
WEB-ADDRESS prodemltd.com
E-MAIL info@prodemltd.com

LEGAL STATUS AND HISTORY

TAX OFFICE Besiktas
TAX NO 7330032834
REGISTRATION NUMBER 228839
REGISTERED OFFICE Istanbul Chamber of Commerce
COMMERCIAL REGISTRY Istanbul Commercial Registry
DATE ESTABLISHED 28.11.1986
ESTABLISHMENT GAZETTE 03.12.1986/1652
DATE/NO
LEGAL FORM Limited Company
TYPE OF COMPANY Private
REGISTERED CAPITAL TL 1.000.000
PAID-IN CAPITAL TL 1.000.000
HISTORY Previous Name : Prodem Dis Ticaret Ltd. Sti. / Changed on :
16.06.1989/(Commercial Gazette Date
/Number 22.06.1989 /2300)
Previous Registered Capital : TL 100.000 / Changed on :
25.09.2017/(Commercial Gazette Date
/Number 29.09.2017 /9419)

OWNERSHIP / MANAGEMENT

SHAREHOLDERS Semseddin Sami Koylugil 80 %
Nigar Seyma Koylugil 20 %

SISTER COMPANIES

- Declared to be: None

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SUBSIDIARIES

- None

DIRECTORS Semseddin Sami Koylugil
Nigar Seyma Koylugil

OPERATIONS

BUSINESS ACTIVITIES Quarrying and trade of marble, granite and natural stone.

NACE CODE The subject has 2 mines in Bilecik.
CB.14.10

SECTOR Mining

NUMBER OF EMPLOYEES 20

NET SALES 5.207 TL Thousand (2016)
11.884 TL Thousand (2017)

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

EXPORT VALUE 4.407 TL Thousand (2016)
10.687 TL Thousand (2017)

EXPORT COUNTRIES India

MERCHANDISE EXPORTED Granite
Marble
Natural stone

HEAD OFFICE ADDRESS Etiler Mah. Nispetiye Cad. No:130 D:5 Besiktas Istanbul / Turkey

TREND OF BUSINESS There was an upwards trend in 2017.

SIZE OF BUSINESS Upper-Medium

FINANCE

CREDIT FACILITIES The subject company is making use of credit facilities.

PAYMENT BEHAVIOUR Slow and delayed

KEY FINANCIAL ELEMENTS	(2016)	(2017)
	TL Thousand	TL Thousand
Net Sales	5.207	11.884
Profit (Loss) Before Tax	-405	1.018
Stockholders' Equity	2.025	2.899
Total Assets	5.855	8.482

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Current Assets	4.315	6.417
Non-Current Assets	1.540	2.065
Current Liabilities	2.975	3.789
Long-Term Liabilities	855	1.794
Gross Profit (loss)	1.222	3.390
Operating Profit (loss)	-60	991
Net Profit (loss)	-405	874

COMMENT ON FINANCIAL POSITION

Capitalization	Fair As of 31.12.2017
Remarks on Capitalization	A part of liabilities consist of loans from shareholders.
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.

The favorable gap between average collection and average payable period has a positive effect on liquidity.

The liquid assets consist mainly of receivables the amount of cash and banks or marketable securities (which are more liquid) are low.

Profitability	Operating Loss in 2016 Net Loss in 2016 Good Operating Profitability in 2017 High Net Profitability in 2017
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Gap between average collection and payable periods	Favorable in 2017
General Financial Position	Fair

	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
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CURRENT ASSETS	4.315	0,74	6.417	0,76
Not Detailed Current Assets	0	0,00	0	0,00
Cash and Banks	65	0,01	104	0,01
Marketable Securities	0	0,00	0	0,00
Account Receivable	1.714	0,29	2.285	0,27
Other Receivable	324	0,06	329	0,04
Inventories	2.109	0,36	3.150	0,37
Advances Given	103	0,02	548	0,06
Accumulated Construction Expense	0	0,00	0	0,00
Other Current Assets	0	0,00	1	0,00
NON-CURRENT ASSETS	1.540	0,26	2.065	0,24
Not Detailed Non-Current Assets	0	0,00	0	0,00
Long-term Receivable	1	0,00	1	0,00
Financial Assets	0	0,00	0	0,00
Tangible Fixed Assets (net)	521	0,09	378	0,04
Intangible Assets	1.018	0,17	1.642	0,19
Deferred Tax Assets	0	0,00	0	0,00
Other Non-Current Assets	0	0,00	44	0,01
TOTAL ASSETS	5.855	1,00	8.482	1,00
CURRENT LIABILITIES	2.975	0,51	3.789	0,45
Not Detailed Current Liabilities	0	0,00	0	0,00
Financial Loans	211	0,04	513	0,06
Accounts Payable	1.217	0,21	2.480	0,29
Loans from Shareholders	747	0,13	451	0,05
Other Short-term Payable	74	0,01	138	0,02
Advances from Customers	712	0,12	176	0,02
Accumulated Construction Income	0	0,00	0	0,00
Taxes Payable	14	0,00	31	0,00
Provisions	0	0,00	0	0,00
Other Current Liabilities	0	0,00	0	0,00
LONG-TERM LIABILITIES	855	0,15	1.794	0,21
Not Detailed Long-term Liabilities	0	0,00	0	0,00
Financial Loans	855	0,15	1.401	0,17
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	393	0,05
Provisions	0	0,00	0	0,00
STOCKHOLDERS' EQUITY	2.025	0,35	2.899	0,34
Not Detailed Stockholders' Equity	0	0,00	0	0,00
Paid-in Capital	100	0,02	1.000	0,12
Cross Shareholding Adjustment of Capital	0	0,00	0	0,00
Inflation Adjustment of Capital	136	0,02	136	0,02
Equity of Consolidated Firms	0	0,00	0	0,00
Reserves	2.598	0,44	889	0,10
Revaluation Fund	0	0,00	0	0,00
Accumulated Losses(-)	-404	-	0	0,00

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Net Profit (loss)			0,07		
		-405	-	874	0,10
TOTAL LIABILITIES AND EQUITY		5.855	0,07 1,00	8.482	1,00

INCOME STATEMENTS

	(2016) (Full Year) TL Thousand		(2017) (Full Year) TL Thousand	
Net Sales	5.207	1,00	11.884	1,00
Cost of Goods Sold	3.985	0,77	8.494	0,71
Gross Profit	1.222	0,23	3.390	0,29
Operating Expenses	1.282	0,25	2.399	0,20
Operating Profit	-60	-0,01	991	0,08
Other Income	245	0,05	791	0,07
Other Expenses	492	0,09	636	0,05
Financial Expenses	98	0,02	128	0,01
Minority Interests	0	0,00	0	0,00
Profit (loss) of consolidated firms	0	0,00	0	0,00
Profit (loss) Before Tax	-405	-0,08	1.018	0,09
Tax Payable	0	0,00	144	0,01
Postponed Tax Gain	0	0,00	0	0,00
Net Profit (loss)	-405	-0,08	874	0,07

LAST FINANCIAL STATEMENT DETAILS

	TL Thousand
Cash	34
Banks	70
Doubtful Trade Receivables	0
Other Miscellaneous Receivables (in Other Receivable)	329
Overdue, Delayed or Deferred Tax by Installments and Other Liabilities	0
Profit from Foreign Currency Exchange	467
Loss from Foreign Currency Exchange	576

FINANCIAL RATIOS

	(2016)	(2017)
LIQUIDITY RATIOS		
Current Ratio	1,45	1,69
Acid-Test Ratio	0,71	0,72
Cash Ratio	0,02	0,03
ASSET STRUCTURE RATIOS		
Inventory/Total Assets	0,36	0,37
Short-term	0,35	0,31
Receivable/Total Assets		
Tangible Assets/Total	0,09	0,04

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Assets		
TURNOVER RATIOS		
Inventory Turnover	1,89	2,70
Stockholders' Equity Turnover	2,57	4,10
Asset Turnover	0,89	1,40
FINANCIAL STRUCTURE		
Stockholders' Equity/Total Assets	0,35	0,34
Current Liabilities/Total Assets	0,51	0,45
Financial Leverage	0,65	0,66
Gearing Percentage	1,89	1,93
PROFITABILITY RATIOS		
Net Profit/Stockholders' Eq.	-0,20	0,30
Operating Profit Margin	-0,01	0,08
Net Profit Margin	-0,08	0,07
Interest Cover	-3,13	8,95
COLLECTION-PAYMENT		
Average Collection Period (days)	118,57	69,25
Average Payable Period (days)	109,94	105,11
WORKING CAPITAL	1340,00	2628,00

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.37
UK Pound	1	INR 94.05
Euro	1	INR 83.41
TRY	1	INR 13.07

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

INFORMATION DETAILS

Analysis Done by :	NIY
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)