

MIRA INFORM REPORT

Report No. :	529144
Report Date :	08.09.2018

IDENTIFICATION DETAILS

Name :	ARBEL BAKLIYAT HUBUBAT SANAYI VE TICARET A.S
Formerly Known As :	ARBEL BAKLIYAT HUBUBAT ELEME SANAYI VE TICARET LTD. STI
Registered Office :	Yeni Mah. Cumhuriyet Bulvari No:73/4 Kazanlı 33281 Mersin
Country :	Turkey
Date of Incorporation :	11.09.1980
Com. Reg. No.:	5859
Legal Form :	Joint Stock Company
Line of Business :	Processing, packaging and trade of pulse and grain
No. of Employees :	434

RATING & COMMENTS

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

MIRA's Rating :

D

Credit Rating	Explanation	Rating Comments
D	High Risk	Business dealing not recommended or on secured terms only

Status :	Poor *
Payment Behaviour :	--
Litigation :	* Management is engaged supporting terrorist organization

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 (31.12.2017)	Current Rating (01.04.2018)
Turkey	B2	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	ARBEL BAKLIYAT HUBUBAT SANAYI VE TICARET A.S.
HEAD OFFICE ADDRESS	Yeni Mah. Cumhuriyet Bulvari No:73/4 Kazanlı 33281 Mersin / Turkey
PHONE NUMBER	90-324-241 11 11
FAX NUMBER	90-324-451 32 01
WEB-ADDRESS	www.arbel.com.tr
E-MAIL	arbel@arbel.com.tr

LEGAL STATUS AND HISTORY

TAX OFFICE	Uray
TAX NO	0730104185
REGISTRATION NUMBER	5859
REGISTERED OFFICE	Mersin Chamber of Commerce and Industry
COMMERCIAL REGISTRY	Mersin Commercial Registry
DATE ESTABLISHED	11.09.1980
ESTABLISHMENT GAZETTE DATE/NO	08.10.1980/100
LEGAL FORM	Joint Stock Company
TYPE OF COMPANY	Private
REGISTERED CAPITAL	TL 95.000.000
PAID-IN CAPITAL	TL 95.000.000
HISTORY	Previous Legal Type : Limited Company / Changed on : 09.03.1999/(Commercial Gazette Date /Number 18.03.1999 /4754) Previous Name : Arbel Bakliyat Hububat Eleme Sanayi ve Ticaret Ltd. Sti. / Changed on : 09.03.1999/(Commercial Gazette Date /Number 18.03.1999 /4754) Previous Registered Capital : TL 12.000.000 / Changed on : 25.05.2009/(Commercial Gazette Date /Number 03.06.2009 /7324) Previous Registered Capital : TL 25.000.000 / Changed on : 31.12.2012/(Commercial Gazette Date

Previous Registered /Number 10.01.2013 /8233)
Capital : TL 55.000.000 / Changed on :
17.09.2013/(Commercial Gazette Date
/Number 26.09.2013 /8413)
Previous Address : Ismet Inonu Bulvari Anadolu Hayat Sigorta
Ishani Kat:4 No:407 Mersin / Changed on :
16.10.2007/(Commercial Gazette Date
/Number 24.10.2007 /6922)

OWNERSHIP / MANAGEMENT

SHAREHOLDERS Agt Food And Ingredients Inc. 100 %

NOTES ON SHAREHOLDERS There are problems at the ownership.

- Name Of Shareholder: Agt Food And Ingredients Inc.
Origin of Shareholder: Canada
BOARD OF DIRECTORS Mahmut Arslan (Chairman)
Hasan Arslan (Vice-Chairman)
Omer Abdullah Ozdemir (Member)
Huseyin Arslan (Member)

REMARKS ON BOARD OF DIRECTORS According to press news some of the members of the board of directors are accused of supporting terrorist organization.

DIRECTORS Omer Abdullah Ozdemir (General Manager)
Ayse Gulcin Hazar (Deputy General Manager)
Abdulkadir Kulahcioglu (Deputy General Manager)

OPERATIONS

BUSINESS ACTIVITIES Processing, packaging and trade of pulse and grain.

NACE CODE DA.15.60

ISIC Code 106

SECTOR Food

TRADEMARKS OWNED Arbel
Arbella

NUMBER OF EMPLOYEES	434	
NET SALES	259.175.942 TL	(2008)
	238.369.801 TL	(2009)
	331.163.279 TL	(2010)
	291.480.725 TL	(2011)
	322.858.912 TL	(2012)
	560.943.220 TL	(2013)
	935.840 TL Thousand	(2014)
	1.265.639 TL Thousand	(2015)
	1.526.217 TL Thousand	(2016)
	1.341.723 TL Thousand	(2017)
	562.260 TL Thousand	(01.01-30.06.2018)
REMARKS ON NET SALES	The sales figure of 01.01.-30.06.2018 is declared by the subject. There is no certification for this figure.	
IMPORT COUNTRIES	Canada India U.S.A. Egypt Argentina	
MERCHANDISE IMPORTED	Bean Corn Lentil Rice	
EXPORT VALUE	85.127.723 TL	(2004)
	64.287.089 TL	(2005)
	73.314.000 USD	(2006)
	76.600.560 TL	(2007)
	117.025.840 TL	(2008)
	70.516 USD Thousand	(2009)
	124.883 USD Thousand	(2010)
	71.774 USD Thousand	(2011)
	105.279 USD Thousand	(2012)
	208.642 USD Thousand	(2013)
	276.406 USD Thousand	(2014)
	110.337 USD Thousand	(2015)
	361.163 USD Thousand	(2016)
	60.689 USD Thousand	(2017)
EXPORT COUNTRIES	Greece Malaysia Singapore Tanzania Uganda Kenya	

	Egypt Syria Libya Sweden U.K. Saudi Arabia Palestine Bangladesh Northern Cyprus Turkish Republic Sudan Belgium Azerbaijan
MERCHANDISE EXPORTED	Bean Cereal grains Chickpeas Lentil
HEAD OFFICE ADDRESS	Yeni Mah. Cumhuriyet Bulvari No:73/4 Kazanlı Mersin / Turkey (owned)
BRANCHES	Liaison Office : Eyup Istanbul/Turkey (owned) Head Office/Processing Plant : Yeni Mah. Cumhuriyet Bulvari No:73/4 33281 Kazanlı Mersin/Turkey (owned) (7.500 sqm)
GENERAL INFORMATION ON OPERATIONS	The firm has a high market potential.
TREND OF BUSINESS	There was an upwards trend in 2016. There was a decline at business volume in nominal terms in 2017. There appears a decline at business volume in nominal terms in the first 6 months of 2018.
SIZE OF BUSINESS	Giant

FINANCE

MAIN DEALING BANKS	Turk Ekonomi Bankasi Adana Kurumsal Branch Akbank Istanbul Kurumsal Branch Yapi ve Kredi Bankasi Mersin Branch QNB Finansbank Mersin Branch
PAYMENT BEHAVIOUR	No payment delays have come to our knowledge.
KEY FINANCIAL ELEMENTS	(2016) TL Thousand
	Net Sales 1.526.217
	Profit (Loss) Before Tax 11.832
	Stockholders' Equity 73.723
	Total Assets 770.992

COMMENT ON FINANCIAL POSITION

General Financial Position

General financial position is undetermined the firm declines to give us an authorization to gather its financial data. As the shares of the firm are not open to public, it is not obliged to announce its data.

The firm has a high amount of sales and a high amount of registered 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
(2004)	13,84 %	1,4266	1,7666	2,6001
(2005)	2,66 %	1,3499	1,6882	2,4623
(2006)	11,58 %	1,4309	1,7987	2,6377
(2007)	5,94 %	1,3075	1,7901	2,6133
(2008)	8,11 %	1,2858	1,8876	2,3708
(2009)	5,93 %	1,5460	2,1529	2,4094
(2010)	8,87 %	1,5128	2,0096	2,3410
(2011)	13,33 %	1,6797	2,3378	2,6863
(2012)	2,45 %	1,7995	2,3265	2,8593
(2013)	6,97 %	1,9179	2,5530	3,0178
(2014)	6,36 %	2,1891	2,8989	3,6060
(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
(01.01-31.08.2018)	25,32 %	4,4308	5,2909	5,9889

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupee
US Dollar	1	INR 71.90
UK Pound	1	INR 93.04
Euro	1	INR 83.67
TRY	1	INR 11.25

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)