

MIRA INFORM REPORT

Report No. :	529867
Report Date :	17.09.2018

IDENTIFICATION DETAILS

Name :	BALA MAKINA SANAYII VE TICARET LTD. STI.
Registered Office :	Suleymaniye Mah. 6 Eylul Cad. No:44 Inegol 16400 Bursa
Country :	Turkey
Date of Incorporation :	16.11.1999
Com. Reg. No.:	4436
Legal Form :	Limited Company
Line of Business :	Manufacture and trade of machinery such as vertical panel dimensioning machinery, composite panel dimensioning and canal opening machinery and chipboard cutting machinery.
No. of Employees :	45

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 :	Slow but Correct
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 (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

NOTE

The name stated at your inquiry is not the registered name but short name/name in English.

COMPANY IDENTIFICATION

NAME	BALA MAKINA SANAYII VE TICARET LTD. STI.
HEAD OFFICE ADDRESS	Suleymaniye Mah. 6 Eylul Cad. No:44 Inegol 16400 Bursa / Turkey
PHONE NUMBER	90-224-715 46 57 90-224-715 46 67
FAX NUMBER	90-224-715 46 24
WEB-ADDRESS	www.balamakina.com.tr
E-MAIL	bala@balamakina.com.tr

LEGAL STATUS AND HISTORY

TAX OFFICE	Inegol
TAX NO	1340073565
REGISTRATION NUMBER	4436
REGISTERED OFFICE	Inegol Chamber of Commerce and Industry
COMMERCIAL REGISTRY	Inegol Commercial Registry
DATE ESTABLISHED	16.11.1999
ESTABLISHMENT GAZETTE DATE/NO	24.11.1999/4926
LEGAL FORM	Limited Company
TYPE OF COMPANY	Private
REGISTERED CAPITAL	TL 9.385.000
HISTORY	Previous Registered Capital : TL 10.000 / Changed on : 18.01.2016/(Commercial Gazette Date /Number 27.01.2016 /8998) Previous Address : Orhaniye Mah. Alanyurt Yolu No:8 Inegol - Bursa / Changed on : 12.05.2015/(Commercial Gazette Date /Number 21.05.2015 /8824) Previous Shareholder : Please vide Previous Shareholders section for

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PREVIOUS SHAREHOLDERS	Selim Varisli soy	34 %	the former shareholders' names. / Changed on : 22.02.2018/(Commercial Gazette Date /Number 28.02.2018 /9526)
	Yavuz Varisli soy	33 %	
	Ahmet Tugrul Varisli soy	33 %	

OWNERSHIP / MANAGEMENT

SHAREHOLDERS	Ahmet Tugrul Varisli soy	46 %
	Selim Varisli soy	34 %
	Yavuz Varisli soy	20 %
DIRECTORS	Selim Varisli soy	
	Ahmet Tugrul Varisli soy (General Manager)	

OPERATIONS

BUSINESS ACTIVITIES	Manufacture and trade of machinery such as vertical panel dimensioning machinery, composite panel dimensioning and canal opening machinery and chipboard cutting machinery.		
NACE CODE	DK.29.50		
SECTOR	Machinery		
NUMBER OF EMPLOYEES	45		
NET SALES	4.323 TL Thousand	(2012)	
	4.787 TL Thousand	(2013)	
	7.307 TL Thousand	(2014)	
	8.139 TL Thousand	(2015)	
	5.633 TL Thousand	(01.01-30.09.2016)	
IMPORT VALUE	0 TL	(2016)	
	0 TL	(2017)	
	0 TL	(01.01-31.08.2018)	
EXPORT VALUE	1.855.581 TL	(2012)	
	1.689.868 TL	(2013)	
	3.336 TL Thousand	(2014)	
	4.886 TL Thousand	(2015)	
	3.357 TL Thousand	(01.01-30.09.2016)	

EXPORT COUNTRIES	Bulgaria Spain Turkish Republics Netherlands Australia Hungary Italy New Zealand Georgia Tunisia Russia Argentina U.A.E. Iran
MERCHANDISE EXPORTED	Canal opening machinery Chipboard cutting machinery Composite panel dimensioning Vertical panel dimensioning machinery
HEAD OFFICE ADDRESS	Suleymaniye Mah. 6 Eylul Cad. No:44 Inegol Bursa / Turkey
BRANCHES	Head Office/Production Plant : Suleymaniye Mah. 6 Eylul Cad. No:44 Inegol 16400 Bursa/Turkey
TREND OF BUSINESS	There was an upwards trend in 2014 and 2015. There appears a decline at business volume in nominal terms in the first 9 months of 2016. However, there appears an upwards trend in the first 9 months of 2016 when compared to 2013.

FINANCE

MAIN DEALING BANKS	T. Is Bankasi Inegol Branch T. Garanti Bankasi Inegol Branch Akbank Inegol Branch T. Halk Bankasi Inegol Branch		
PAYMENT BEHAVIOUR	Slow but correct		
KEY FINANCIAL ELEMENTS	(2016)	(2017)	
	TL	TL	
Profit (Loss) Before Tax	1.905.741	3.522.339	

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.

CREDIT OPINION WITHOUT OBLIGATION

	Incr. in producers' price index	Average USD/TL	Average EUR/TL	Average GBP/ TL
(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
(01.01-30.09.2016)	3,79 %	2,9323	3,2588	4,0899
(2016)	9,94 %	3,0292	3,3349	4,1006
(2017)	15,47 %	3,6337	4,1120	4,7059
(01.01-31.08.2018)	25,32 %	4,4308	5,2909	5,9889

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.81
UK Pound	1	INR 94.16
Euro	1	INR 83.98
TRY	1	INR 11.63

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)