

MIRA INFORM REPORT

Report No. :	532128
Report Date :	28.09.2018

Correct name of the company is "TARAF TEKSTIL VE DIS TICARET LTD. STI."

IDENTIFICATION DETAILS

Name :	TARAF TEKSTIL VE DIS TICARET LTD. STI.
Registered Office :	Maltepe Mah. Ali Riza Gurcan Cad. Eski Cirpici Yolu Sok. Merter Meridyen Ismerkezi No:1/303-320 Zeytinburnu 34010 Istanbul
Country :	Turkey
Financials (as on) :	31.12.2017
Date of Incorporation :	17.01.2013
Com. Reg. No.:	850721
Legal Form :	Limited Company
Line of Business :	Wholesale Trade of Yarn and Cotton.
No. of Employees :	Not Available

RATING & COMMENTS

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

MIRA's Rating :	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 :

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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	TARAF TEKSTIL VE DIS TICARET LTD. STI.
HEAD OFFICE ADDRESS	Maltepe Mah. Ali Riza Gurcan Cad. Eski Cirpici Yolu Sok. Merter Meridyen Ismerkezi No:1/303-320 Zeytinburnu 34010 Istanbul / Turkey
PHONE NUMBER	90-212-244 52 25
FAX NUMBER	90-212-244 52 58
WEB-ADDRESS	www.taraftekstil.com

LEGAL STATUS AND HISTORY

TAX OFFICE	Davutpasa
TAX NO	8230333767
REGISTRATION NUMBER	850721
REGISTERED OFFICE	Istanbul Chamber of Commerce
COMMERCIAL REGISTRY	Istanbul Commercial Registry
DATE ESTABLISHED	17.01.2013
ESTABLISHMENT GAZETTE DATE/NO	23.01.2013/8242
LEGAL FORM	Limited Company
TYPE OF COMPANY	Private
REGISTERED CAPITAL	TL 5.000.000
PAID-IN CAPITAL	TL 5.000.000
HISTORY	Previous Registered TL 20.000 / Changed on : Capital : 31.12.2015/(Commercial Gazette Date /Number 07.01.2018 /8984) Previous Address : Hicapasa Mah. Ankara Cad. No:32/37 Fatih - Istanbul / Changed on : 27.07.2015/(Commercial Gazette Date /Number 31.07.2015 /8874)

OWNERSHIP / MANAGEMENT

SHAREHOLDERS	Mahmut Gunduz	50 %
	Ahmet Ozhusrev	50 %

SISTER COMPANIES

- LIMON EGGLECE TURIZM TICARET LTD. STI. (Origin: Turkey, Tax Number: 6090510065, Registration Number: 935686)

DIRECTORS	Ahmet Ozhusrev
	Mahmut Gunduz

OPERATIONS

BUSINESS ACTIVITIES	Wholesale trade of yarn and cotton.
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NACE CODE	G .51.41
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SECTOR	Commerce
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NUMBER OF EMPLOYEES	0
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NOTES ON NUMBER OF EMPLOYEES	OF	The firm has no employees. Operations are carried out by the shareholders/partners/owner.
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NET SALES	37.319 TL Thousand	(2016)
	52.562 TL Thousand	(2017)

REMARKS ON CAPACITY	None
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REMARKS ON PRODUCTION	None
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IMPORT COUNTRIES	Uzbekistan Turkmenistan Tajikistan
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MERCHANDISE IMPORTED	Cotton Yarn
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EXPORT VALUE	32.616 TL Thousand	(2016)
	30.016 TL Thousand	(2017)

EXPORT COUNTRIES	India Bangladesh
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MERCHANDISE EXPORTED	Pakistan Cotton
HEAD OFFICE ADDRESS	Maltepe Mah. Ali Riza Gurcan Cad. Eski Cirpici Yolu Sok. Merter Meridyen Ismerkezi No:1/303-320 Zeytinburnu Istanbul / Turkey
NOTES ON INVESTMENTS	None
TREND OF BUSINESS	There was an upwards trend in 2017.
SIZE OF BUSINESS	Large

FINANCE

CREDIT FACILITIES	The subject company is making active use of credit facilities.
PAYMENT BEHAVIOUR	Slow but correct

KEY FINANCIAL ELEMENTS	(2016) TL Thousand	(2017) TL Thousand
Net Sales	37.319	52.562
Profit (Loss) Before Tax	1.194	432
Stockholders' Equity	5.562	6.246
Total Assets	10.671	14.421
Current Assets	10.664	14.415
Non-Current Assets	7	6
Current Liabilities	305	-23
Long-Term Liabilities	4.804	8.198
Gross Profit (loss)	1.427	370
Operating Profit (loss)	468	26
Net Profit (loss)	1.004	429

COMMENT ON FINANCIAL POSITION

Capitalization	Satisfactory As of 31.12.2017
Liquidity	High As of 31.12.2017
Profitability	Low Operating Profitability in 2016 Fair Net Profitability in 2016 Low Operating Profitability in 2017 Low Net Profitability in 2017

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Gap between average collection and payable periods Unfavorable in 2017
General Financial Position In Order

CREDIT OPINION WITHOUT OBLIGATION

	Incr. producers' price index	in 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
(01.01-31.08.2018)	25,32 %	4,4308	5,2909	5,9889

BALANCE SHEETS

	31.12.2016 (Full Year) TL Thousand		31.12.2017 (Full Year) TL Thousand	
CURRENT ASSETS	10.664	1,00	14.415	1,00
Not Detailed Current Assets	0	0,00	0	0,00
Cash and Banks	52	0,00	4.418	0,31
Marketable Securities	0	0,00	0	0,00
Account Receivable	2.737	0,26	1.825	0,13
Other Receivable	6	0,00	0	0,00
Inventories	0	0,00	0	0,00
Advances Given	7.818	0,73	8.097	0,56
Accumulated Construction Expense	0	0,00	0	0,00
Other Current Assets	51	0,00	75	0,01
NON-CURRENT ASSETS	7	0,00	6	0,00
Not Detailed Non-Current Assets	0	0,00	0	0,00
Long-term Receivable	4	0,00	4	0,00
Financial Assets	0	0,00	0	0,00
Tangible Fixed Assets (net)	1	0,00	1	0,00
Intangible Assets	1	0,00	1	0,00
Deferred Tax Assets	0	0,00	0	0,00
Other Non-Current Assets	1	0,00	0	0,00
TOTAL ASSETS	10.671	1,00	14.421	1,00
CURRENT LIABILITIES	305	0,03	-23	0,00
Not Detailed Current Liabilities	0	0,00	0	0,00
Financial Loans	0	0,00	0	0,00
Accounts Payable	12	0,00	10	0,00

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Loans from Shareholders	161	0,02	0	0,00
Other Short-term Payable	2	0,00	2	0,00
Advances from Customers	6	0,00	0	0,00
Accumulated Construction Income	0	0,00	0	0,00
Taxes Payable	153	0,01	49	0,00
Provisions	-29	0,00	-84	-0,01
Other Current Liabilities	0	0,00	0	0,00
LONG-TERM LIABILITIES	4.804	0,45	8.198	0,57
Not Detailed Long-term Liabilities	0	0,00	0	0,00
Financial Loans	4.804	0,45	8.198	0,57
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
STOCKHOLDERS' EQUITY	5.562	0,52	6.246	0,43
Not Detailed Stockholders' Equity	0	0,00	0	0,00
Paid-in Capital	4.745	0,44	5.000	0,35
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	39	0,00	1.043	0,07
Revaluation Fund	0	0,00	0	0,00
Accumulated Losses(-)	-226	-0,02	-226	-0,02
Net Profit (loss)	1.004	0,09	429	0,03
TOTAL LIABILITIES AND EQUITY	10.671	1,00	14.421	1,00

INCOME STATEMENTS

	(2016) (Full Year) TL Thousand		(2017) (Full Year) TL Thousand	
Net Sales	37.319	1,00	52.562	1,00
Cost of Goods Sold	35.892	0,96	52.192	0,99
Gross Profit	1.427	0,04	370	0,01
Operating Expenses	959	0,03	344	0,01
Operating Profit	468	0,01	26	0,00
Other Income	1.744	0,05	1.631	0,03
Other Expenses	840	0,02	1.024	0,02
Financial Expenses	178	0,00	201	0,00
Minority Interests	0	0,00	0	0,00
Profit (loss) of consolidated firms	0	0,00	0	0,00
Profit (loss) Before Tax	1.194	0,03	432	0,01
Tax Payable	190	0,01	3	0,00
Postponed Tax Gain	0	0,00	0	0,00
Net Profit (loss)	1.004	0,03	429	0,01

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LAST FINANCIAL STATEMENT DETAILS

	TL Thousand
Banks	4.418
Doubtful Trade Receivables	0
Overdue, Delayed or Deferred Tax by Installments and Other Liabilities	0

FINANCIAL RATIOS

	(2016)	(2017)
LIQUIDITY RATIOS		
Current Ratio	34,96	-626,74
Acid-Test Ratio	9,16	-271,43
Cash Ratio	0,17	-192,09
ASSET STRUCTURE RATIOS		
Inventory/Total Assets	0,00	0,00
Short-term	0,26	0,13
Receivable/Total Assets		
Tangible Assets/Total Assets	0,00	0,00
TURNOVER RATIOS		
Inventory Turnover		
Stockholders' Equity Turnover	6,71	8,42
Asset Turnover	3,50	3,64
FINANCIAL STRUCTURE		
Stockholders' Equity/Total Assets	0,52	0,43
Current Liabilities/Total Assets	0,03	0,00
Financial Leverage	0,48	0,57
Gearing Percentage	0,92	1,31
PROFITABILITY RATIOS		
Net Profit/Stockholders' Eq.	0,18	0,07
Operating Profit Margin	0,01	0,00
Net Profit Margin	0,03	0,01
Interest Cover	7,71	3,15
COLLECTION-PAYMENT		
Average Collection Period (days)	26,44	12,53
Average Payable Period (days)	0,12	0,07
WORKING CAPITAL	10359,00	14438,00

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.65
UK Pound	1	INR 95.43
Euro	1	INR 85.04
TL	1	INR 12.05

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	TPT

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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)