

## MIRA INFORM REPORT

<b>Report No. :</b>	522379
<b>Report Date :</b>	01.08.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	P.T. BIPORIN AGUNG
<b>Registered Office :</b>	Jalan Pusat No. 88, Desa Cikupa Rt. 003/01, Tangerang, 15710, Banten Province
<b>Country :</b>	Indonesia
<b>Date of Incorporation :</b>	05.08.1981
<b>Com. Reg. No.:</b>	No. AHU-AH.01.10-42888
<b>Legal Form :</b>	P.T. (Perseroan Terbatas) or Limited Liability Company
<b>Line of Business :</b>	Organic Pigment & Dyestuff and Textile Chemical Industry
<b>No. of Employees :</b>	200

### 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

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	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 (31.12.2017)	Current Rating (01.04.2018)
Indonesia	A2	A2

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

**INDONESIA - ECONOMIC OVERVIEW**

Indonesia, the largest economy in Southeast Asia, has seen a slowdown in growth since 2012, mostly due to the end of the commodities export boom. During the global financial crisis, Indonesia outperformed its regional neighbors and joined China and India as the only G20 members posting growth. Indonesia's annual budget deficit is capped at 3% of GDP, and the Government of Indonesia lowered its debt-to-GDP ratio from a peak of 100% shortly after the Asian financial crisis in 1999 to 34% today. In May 2017 Standard & Poor's became the last major ratings agency to upgrade Indonesia's sovereign credit rating to investment grade.

Indonesia still struggles with poverty and unemployment, inadequate infrastructure, corruption, a complex regulatory environment, and unequal resource distribution among its regions. President Joko WIDODO - elected in July 2014 – seeks to develop Indonesia's maritime resources and pursue other infrastructure development, including significantly increasing its electrical power generation capacity. Fuel subsidies were significantly reduced in early 2015, a move which has helped the government redirect its spending to development priorities. Indonesia, with the nine other ASEAN members, will continue to move towards participation in the ASEAN Economic Community, though full implementation of economic integration has not yet materialized.

Source : CIA

## **COMPANY NAME AND ADDRESS**

**Name of Company :**  
**P.T. BIPORIN AGUNG**

Head Office & Factory

Jalan Pusat No. 88  
Desa Cikupa Rt. 003/01  
Tangerang, 15710  
Banten Province  
Indonesia  
Phone - (62-21) 5960915, 5960916  
Fax - (62-21) 5960925  
E-mail - [bipo@centrin.net.id](mailto:bipo@centrin.net.id)  
[biporin@biporin.com](mailto:biporin@biporin.com)  
[biofactory@cbn.net.id](mailto:biofactory@cbn.net.id)  
Website - <http://www.biporin.com>  
Land Area - 15,000 sq. meters  
Building Space - 4,600 sq. meters  
Region - Industrial Zone  
Status - Owned

Representative Office

The City Tower (TCT) 29<sup>th</sup> Floor unit 29-01  
Jalan M.H. Thamrin No. 81  
Jakarta Pusat, 10310  
Indonesia  
Phone - (62-21) 3199 6222 (Hunting)  
Fax - (62-21) 3199 6288, 3199 6289  
Building Area - 30 storey  
Building Space - 100 sq. meters  
Region - Commercial  
Status - Rent

**Date of Incorporation :**  
5 August 1981

**Legal Form :**  
P.T. (Perseroan Terbatas) or Limited Liability Company

**Company Reg. No. :**  
The Ministry of Law and Human Rights  
- No. C.UM.02.01.12553  
Dated 12 October 2004

- No. AHU-48171.AH.01.02.TH.2008  
Dated 6 August 2008

- No. AHU-AH.01.10-42888  
Dated 18 October 2013

**Company Status :**

National Private and Domestic Investment (PMDN) Company

**Permit by the Government Department :**

The Department of Finance

NPWP No. 01.216.727.6.415.000

The Department of Industry & Trade

TDP No. 10031300223

Dated 6 October 1998

The Capital Investment Coordinating Board

- No. 203/I/PMDN/1983

Dated 19 November 1983

- No. 348/VI/PMDN/1984

Dated 29 December 1984

- No. 251/II/PMDN/1995

Dated 29 September 1995

The Department of Industry

No. 63/T/INDUSTRI/1990

Dated 26 February 1990

**Related Company :**

None

## ***CAPITAL AND OWNERSHIP***

**Capital Structure :**

Authorized Capital : Rp. 4,000,000,000.-

Issued Capital : Rp. 1,000,000,000.-

Paid up Capital : Rp. 1,000,000,000.-

**Shareholders/Owners :**

**a. Mr. Anwar Afandi** - Rp. 950,000,000.-

Address : Kp. Cikupa No. 88 Rt.03 Rw. 01  
Kelurahan Cikupa, Kecamatan Cikupa  
Tangerang, Banten Province  
Indonesia

**b. Mrs. Erliani Iskandar** - Rp. 30,000,000.-

Address : Jl. Ir. Haji Juanda III No. 34-A  
Jakarta Pusat  
Indonesia

**c. Mr. Aman Afandi** - Rp. 20,000,000.-

Address : Kp. Cikupa No. 88 Rt.03 Rw. 01  
Kelurahan Cikupa, Kecamatan Cikupa  
Tangerang, Banten Province  
Indonesia

## **BUSINESS ACTIVITIES**

### **Lines of Business :**

Organic Pigment & Dyestuff and Textile Chemical Industry

### **Production Capacity :**

- a. Reactive Dyestuff - 2,300 tons p.a.
- b. Disperse Dyestuff - 3,600 tons p.a.
- c. Optical Brightening Agent - 300 tons p.a.

### **Total Investment :**

- a. Equity Capital - Rp. 1.0 billion
- b. Loan Capital - Rp. 16.5 billion
- c. Total Investment - Rp. 17.5 billion

### **Started Operation :**

1987

### **Brand Name :**

Bipoactive

### **Technical Assistance :**

None

### **Number of Employee :**

200 persons

### **Marketing Area :**

- Export - 50%
- Local - 50%

### **Main Customer :**

Buyers in Asian and Europe Union, and Domestic Textile Industry

### **Market Situation :**

Very Competitive

### **Main Competitors :**

- a. P.T. CLARIANT INDONESIA
- b. P.T. COLORINDO ANEKA CHEMICALS

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- c. P.T. DYSTAR COLOURS INDONESIA
- d. P.T. MATSUMOTOYUSHI INDONESIA

**Business Trend :**  
Growing

## ***BANKER, AUDITOR & LITIGATION***

**Bankers :**

- a. P.T. Bank CENTRAL ASIA Tbk  
Jalan Haji Samanhudi No. 8  
Jakarta Pusat  
Indonesia
- b. The Bangkok Bank Ltd.  
Jalan M.H. Thamrin No. 3  
Jakarta Pusat  
Indonesia

**Auditor :**  
Internal Auditor

**Litigation :**  
No litigation record in our database

## ***FINANCIAL FIGURE***

**Annual Sales (estimated) :**

2015 – Rp. 55.0 billion  
2016 – Rp. 58.0 billion  
2017 – Rp. 62.0 billion

**Net Profit (estimated) :**

2015 – Rp. 4.0 billion  
2016 – Rp. 4.2 billion  
2017 – Rp. 4.5 billion

**Payment Manner :**  
No Complaints'

**Financial Comments :**  
Fairly strong

## **KEY EXECUTIVES**

### **Board of Management :**

Director - Mr. Anwar Afandi

### **Board of Commissioners :**

Commissioner - Mrs. Erliani Iskandar

### **Signatories :**

Director (Mr. Anwar Afandi) which must be approved by Supervisory Board

## **CAPABILITIES**

### **Management Capability :**

Good

### **Business Morality :**

Good

## **OVERALL PERFORMANCE**

P.T. BIPORIN AGUNG (P.T. BA) was incorporated in August 1981 with an authorized capital of Rp. 50,000,000 issued capital of Rp. 15,000,000 wholly paid-up. Founders and original shareholders are Mr. Anwar Afandi, Mrs. Ratna Dewi Afandi and Mr. Ir. Aman Afandi wholly Indonesian of Chinese extraction. The company notary deed has been revised for several times. In 1987, the authorized capital was increased to Rp. 1,000,000,000 entirely issued and paid-up. In September 1997, Mrs. Ratna Dewi Afandi pulled out and replaced by Mrs. Erliani Iskandar, an Indonesia businesswomen of Chinese extraction. Then in July 2008 the authorized capital was increased to Rp. 4,000,000,000 issued capital Rp. 1,000,000,000 entirely paid up. With this development the composition of its shareholders has been changed to become Mr. Anwar Afandi (95%), Mrs. Erliani Iskandar (3%) and Mr. Aman Adandi (2%). The latest according to revision of notary deed Mrs. Harjanti Tono, SH., no. 75 dated 24 July 2013 the company board of director and the board of commissioner re-elected to lead and runs of the company. The deed of amendments was approved by the Ministry of Law and Human Rights in its decision letter No. AHU-AH.01.10-42888 dated October 18, 2013.

P.T. BA acquired a Domestic Investment (PMDN) facility licensed by Capital Investment Coordinating Board (BKPM) for dealing with organic pigment & dyestuff and textile chemical manufacturing whose plant is located in Desa Cikupa Rt. 003/01, Tangerang, Banten Province standing on 1.5 hectares land. The plant started with operation in 1987 and has been expansion in 1995 to increasing production capacity. The plant produces 2,300 tons of reactive dyestuff, 3,600 tons of disperse dyestuff and 300 tons of optical brightening agents per annum with and investment of Rp. 17.5 billion come from owned capital of Rp. 1.0 billion and the rest is loans. In 1998, P.T. BA complemented its product range with BIPOARON, a line disperse dyes for polyesters and nylons. Soon the range is expanded with acid dyestuffs, BIPOACID, for nature protein-fibre based fabrics and other auxiliary chemicals for textile production.

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With P.T. BA's innovative and uncompromising high standards of manufacturing, the company gain its reputation as the one which provides excellent, efficient yet sensible priced textile dyestuffs and chemical products and services caters beyond Indonesia's local market to all over the world such as EU and East Europe, Turkey, West Asia, Japan, China, SE-Asia, Africa, S. Asia etc.

In 2014, armed with extensive background in producing textile dyes, P.T. BA will introduce its innovative and ground breaking range of textile ink for high yields inkjet printers, ECOINK. Management of the company disclosed that since 2007 it has been able to produce around 50% of its installed production capacity. However since 2008 until 2010 has almost nearly 90% of size of output. Some of 50% of products are exported to several Asian countries while the rest 50% are marketed locally to various textile industries and textile products manufacturing companies. P.T. BA focuses is on production of Reactive (Bipoactive) dyestuffs especially vinyl-sulfone and bi-functional types. Raw materials and intermediates are sourced after pre-approval from dependable and stable suppliers.

P.T. BA's main focus is Reactive dyes with specialization in vinyl-sulfone and bi-functional Reactive dyes. In both categories we make the regular CI (Color index) commodities as well as specialized colors. All are marketed under the Bipoactive brand name. In general Vinyl-sulfone dyes are suited to exhaust dyeing, continuous (Pad-steam), semi-continuous methods (Silicate pad batch) and printing methods. Bipoactive 'DE' dyes are bi-functional dyes which are usually preferred for exhaust dyeing due to their better affinity and fixation properties. Bi-functional dyes can also be more conveniently grouped in special trichromatically compatible groups depending on the desired properties like light fastness, perspiration-light fastness, high exhaustion/fixation, deep-very deep shades etc.

Almost all dyestuffs are standardized in liquid form and then spray dried as low dusting semi-granular type and directly packed using latest PLC controlled weighing systems. All spray dryers have the latest PLC systems to control all sensitive parameters like temperature, vacuum, feed-line pressure etc. to ensure most uniform product. Samples are regularly taken from spray dryers and checked for various parameters around the clock, seven days a week. The global economic slowdown since October 2008 has brought negative impact to the company on account of the increasing production cost and basic material prices. Meanwhile, the local TPT (Textile and Textile Products) industries and other factors causing the declining competitive ability of the national TPT products are the increasing production costs, high interest rates, expensive customs office costs, illegal retributions, textile and garment machinery restructuring costs and the rising prices of production components (oil fuel prices and electric base tariffs). We observe the operation of P.T. BA has been growing slowly in the last three years.

The demand for dyestuff has kept on rising in the last five years in line with the growth and development of textile industry. The textile and apparel product (TTP) industry is one of the industries that has contrived to with stand the protracted global economic crisis. Different from the economic situation throughout 2016, the world's economic climate in 2017 is estimated to improve. Based on data from IMF, global economic growth is projected to remain at 3.4% in 2017 or grew higher than in 2014 and 2015. In line with this positive development, the World Bank also forecasts a global price hike of several commodities in 2017, one of which is crude oil, which is estimated to significantly increase after the signing of agreement between OPEC countries to cut down oil production volume per January 2017.

In addition, Indonesia's economy is also predicted to remain bright in 2017. Several institutions such as the World Bank and Bank Indonesia predict that Indonesia's economy will grow by 5.3-5.4%. This estimated figure is higher than the target set by the government at 5.1% in 2017 State Budget or the growth rate in 2016 at 5.02%. Indonesia's textile industry is estimated to grow robust in 2017. The Indonesian Textile Association (API) believes that textile industry growth in 2017 will improve compared to the previous year at a range of 1.6-1.8%. This prediction is supported by several considerations, such as the EU Comprehensive Economic Partnership

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Agreement (EUCEPAN) and 2017 investment growth projection, especially for textile industry. Another factor that accounts for this positive outlook is the 30% reduction of electricity bill, which is estimated to significantly minimize costs incurred by textile upstream industry up to 28%.

In addition, the Government has conducted diplomatic approach to the US government, as one of the largest markets of national textile industry, to implement customs exemption for textile products exported from Indonesia. Until recently, referring to the data from the Ministry of Industry, the textile products from Indonesia that enter the US market are charged with customs of 12.5%. The implementation of customs exemption for textile products from Indonesia has high possibility to be realized as the textile products Vietnam have been granted such exemption. We believe that Indonesia's textile products can be better marketed in the US if such exemption can be implemented. The export volume and value of the national TPT products in 2010 to 2016 are pictured on the following table.

**Export Volume and Value of Textile and Apparel Indonesia, 2010 – 2017\***

Year	Spun Yarns		Textile Products (Apparel)	
	(Thousand Ton)	(US\$ Million)	(Thousand Ton)	(US\$ Million)
2010	521.0	1,600.3	374.8	5,558.4
2011	475.5	1,775.9	373.4	6,565.2
2012	554.8	1,733.0	366.3	6,106.4
2013	691.4	1,948.6	363.7	6,216.9
2014	733.8	2,041.6	375.5	6,256.0
2015	776.5	1,927.6	378.6	6,410.9
2016	709.0	1,695.4	337.4	5,627.4
2017*	748.0	1,785.2	354.9	5,920.0

Until this time P.T. BA has not been registered with Indonesian Stock Exchange, so that they had not obliged to announce their financial statement. The management of the company is very reclusive towards outsiders and rejected to disclose its financial condition. We observed that total sales turnover of the company in 2015 amounted to Rp. 55.0 billion increased to Rp. 58.0 billion in 2016 rose to Rp. 62.0 billion in 2017 and projected to go on rising by at least 5% in 2018. The operation in 2017 yielded an estimated net profit of at least Rp. 4.5 billion and the company has an estimated total networth of at least Rp. 10.0 billion. So far, we did not heard that the company having been black listed by the Central Bank (Bank Indonesia). The company usually pays its debts punctually to suppliers.

The company is led out by Mr. Anwar Afandi (69), a businessman who experienced for more than 31 years in the field of organic pigment & dyestuff and textile chemical manufacturing. We observed that management's reputation in said business is fairly good. The management of the company is handled by experienced professional manager having wide relation with private businessmen of home and overseas as well as with the government sectors.

So far, we did not hear that the management of the company being filed to the district court for detrimental cases or involved in any business malpractices. The company's litigation record is clean and it has not registered with the black list of Bank of Indonesia. P.T. BIPORIN AGUNG is sufficiently fairly good for business cooperation.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.61
UK Pound	1	INR 90.07
Euro	1	INR 80.37
IDR	1	INR 0.0047

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRI
<b>Report Prepared by :</b>	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)