

MIRA INFORM REPORT

Report No. :	523651
Report Date :	11.08.2018

IDENTIFICATION DETAILS

Name :	PT. TEXCOMS
Registered Office :	Jl. Cemara No.77 RT. 008, RW. 002, Kelurahan Pasteur, Kecamatan Sukajadi Kota Bandung 40161, Jawa Barat -
Country :	Indonesia
Date of Incorporation :	15.01.2007
Legal Form :	Private Limited Liability Company or Perseroan Terbatas
Line of Business :	<ul style="list-style-type: none"> • Wholesale trade, except of motor vehicles and motorcycles • Wholesale of other machinery, equipment and supplies
No. of Employees :	250

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	No Complaints
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

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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 IDENTIFICATION

Company Name	PT. Texcoms
Address	Jl. Cemara No.77 RT. 008, RW. 002 Kelurahan Pasteur, Kecamatan Sukajadi Kota Bandung 40161 Jawa Barat - Indonesia
Telephone	+62222040036
Fax	+62222031979
Mobile Phone	N.A.
Email	tri@texcoms.com lany@texcoms.com
Web	www.texcoms.com

PROFILE

Address	Jl. Cemara No.77 RT. 008, RW. 002 Kelurahan Pasteur, Kecamatan Sukajadi Kota Bandung 40161 Jawa Barat - Indonesia
Office Building	a. Area - Commercial b. Status - Owned
Date Of Establishment	- 15 January 2007
Start Operation	2007
Legal Status	Private Limited Liability Company or Perseroan Terbatas (PT)
Legalization (historical)	No. W7.01466.HT.01.01.TH.2007 Dated, 14 February 2007 No. AHU-96981.AH.01.02.Tahun 2008 Dated, 16 December 2008 No. AHU-13901.AH.01.02.Tahun 2014 Dated, 22 April 2014 No. AHU-0009766.AH.01.02.Tahun 2016 Dated, 24 May 2016 No. AHU-0004257.AH.01.02.Tahun 2017 Dated, 20 February 2017
Government Permit (s)	The Coordination Board of Investment No. - 476/T/Perdagangan/2007 Dated, 06 June 2007 Direktorat Jenderal Pajak NPWP - 02.419.745.1-428.000

Significant change

PT. Texcoms (the Company) was established on January 15, 2007, in Bandung, West Java, with the authorized capital of IDR 3,592 million, of which IDR 898 million was issued and paid up by Eastern Ghats International Pte., Ltd of Singapore (99%) and Mr. Yanuar Pamuji (1%).

On July 31, 2008, and May 10, 2012, the Company published a notarial act, but there was no change in capital and composition of shareholders.

On May 16, 2016, the Company's authorized capital was IDR 17,960 million with issued and paid up of IDR 7,184 million. The shareholders of the Company at that time were Mr. Yanuar Pamuji (2%), Texcom Holdings Pte Ltd of Singapore (78%), Mr. Thaker Nagarjun Subash (15%), and Mr. Trisyono (5%).

On February 10, 2017, there was a change in notary deed but the structures of capitalization and shareholders did not change.

Up to the completion of this report, the structure of the Company's capitalization and shareholders remain unchanged.

Capitalization

- Authorized Capital	IDR 17,960,000,000
- Issued Capital	IDR 7,184,000,000
- Paid Up Capital	IDR 7,184,000,000

SHAREHOLDERS & MANAGEMENT

Shareholders

Total No. of Shareholders: 4
Shareholders as 20 February 2017
Total Shareholding private - 8,000 shares

Name of Shareholders

- Mr. Yanuar Pamuji
(160 shares) - 2%
- Texcom Holdings Pte Ltd of Singapore
(6,240 shares) - 78%
- Mr. Thaker Nagarjun Subhash
(1,200 shares) - 15%
- Mr. Trisyono
(400 shares) - 5%

Management Board

Name	Mr. Pitchamuthu Boobalan
Position	President Director
Nationality	Indian
Name	Mr. Thaker Nagarjun Subhash
Position	Director
Nationality	Indian
Name	Mr. Bambang Harijanto
Position	Director
Nationality	Indonesian

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Name	Mr. Trisyono
Position	Director
Nationality	Indonesian
Supervisory Board	
Name	Mr. Yanuar Pamuji
Position	President Commissioner
Nationality	Indonesian
Management Assessment	The management is deemed to have sufficient experience and industry expertise to manage subject properly.
Authorized Signatories	Mr. Pitchamuthu Boobalan as President Director or Mr. Thaker Nagarjun Subhash, Mr. Trisyono and Mr. Bambang Harijanto as Directors of the Company which must be approved by shareholder meeting.
Affiliate (s) / Associate (s)	<ul style="list-style-type: none"> - Texcom Holdings Pte Ltd of Singapore (Activities of holding companies) - Texcoms Machineries Pvt Ltd of Bangladesh (Wholesale of other machinery and equipment) - Textech Indo (India) Pvt., Ltd. of India (Wholesale of other machinery and equipment)

KEY DATA ON OPERATIONS

Registered Activities	SIC Code 46	: Wholesale trade, except of motor vehicles and motorcycles
Employee	Per 2017	200
	Per 2018	250
Bussiness Category	SIC Code 46.6	: Wholesale of other machinery, equipment and supplies
Line of Business	SIC Code 46.69	: Wholesale of other machinery and equipment
Product & Capacity	N.A.	
Status of Investment	Foreign-invested Company	
Sales Territory	Local	50%
	International	50%
Main Items Imported And Country Origin	<ul style="list-style-type: none"> - Textile Machinery - Germany - Textile Machinery - Thailand 	
Main Items Exported And Country Destination	<ul style="list-style-type: none"> - Textile Machinery - Bangladesh - Textile Machinery - India 	

Major Customers	<ul style="list-style-type: none"> - Textile Machinery - Thailand - PT. Indorama Synthetics Tbk - PT. Wastex - PT. Kewalram Indonesia
Major Suppliers	<ul style="list-style-type: none"> - PT. Tiga Bintang Manunggal - PT. Bintang Agung - PT. Indorama Synthetics Tbk - PT. Tiga Bintang Manunggal - PT. Dhanar Mas Concern - Sukhontawit Textile Co., Ltd. of Thailand - Textile Central Co., Ltd. of Thailand
Terms of Payment	Purchase Payment Domestic : 1-30 days credit term, 31-60 days credit term, More than 60 days credit term Overseas : Telegraphic Transfer (T.T) with Credit Term up to 30 days Sale Term Domestic : Advance payment 20% - 80% or Telegraphic Transfer Based on Agreements Overseas : Telegraphic Transfer (T.T) with Credit Term up to 30 days
Activity Comment	<p>PT. Texcoms (the Company) is a foreign-invested company which began the operation in 2007 and engaged in wholesale of textile machinery. The Company's head office is located at the address registered in the legality: Jl. Cemara No.77 RT. 008, RW. 002, Kelurahan Pasteur, Kecamatan Sukajadi, Kota Bandung 40161, Jawa Barat - Indonesia. We believe the located is owned by the Company.</p> <p>The Company's head office is supported by a warehouse at Jl. Peundeuy 1, Cicalengka- Kab. Bandung, Jawa Barat - Indonesia. Based on our investigation, the Company is engaged in the import and export of used textile machinery such as weaving and spinning machines, and its spare parts. Some of the Company's machine brands such as Murata, Toyoda, Rieter, and Truetzschler. In addition, the Company also provides engine installation and service services.</p> <p>For import activities, previously the Company purchased the used machine from countries such as Germany, South Korea, Thailand, USA, India. However, in this 2018, the Company only imports from Thailand and Germany. Some of the Company's suppliers include Sukhontawit Textile Co., Ltd. of Thailand and Textile Central Co., Ltd. of Thailand.</p> <p>In import activities, the Company has an Identification Number Import (API) version with the green line which has a dwelling time of 1 to 2 days. The Company does not undertake import regularly</p>

each month, but once imported within 3 months can reach 10 containers.

The machines that arrived at Tanjung Priok, Jakarta and then sent to the warehouse to be repaired and thereafter can be resold to the textile companies in the local area. Some of the customers include PT. Indorama Synthetics Tbk, PT. Kewalram Indonesia, PT. Wastex, and PT. Tiga Bintang Manunggal.

Likewise, for export activities, the Company purchased used textile machinery owned by domestic textile companies such as PT. Bintang Agung, PT. Indorama Synthetics Tbk, PT. Tiga Bintang Manunggal. These machines repaired by the Company to be sold abroad to Bangladesh, India, and Thailand. The machines are sold varied between USD 5,000 - USD 50,000.

According to the source, the Company's operational performance throughout 2016 to 2017 is not so good. Product import and sales activities both locally and export have decreased due to the decline of the textile industry sector especially at the local level due to high operational costs so that some customers refrain from buying a machine unit but only repair it.

Until the third quarter of 2018, the Company was still operating quite well where this year sales had slightly increased. In terms of payment, fortunately, the Company did not experience problems which meant both payments from customers and suppliers.

The Company operates 5 days a week with the support of about 250 employees, mostly engineers.

Litigation

At the time this report is written, this Company has not been involved in any criminal or civil cases. This statement is based on a result of search for cases conducted at the State Court in the area where the Company was established and operates today.

Sources

Ms. Lany (Export import staff of the Company, contacted on August 10, 2018)

Warehouse Address

Jl. Pendeuy 1
Kab. Bandung N.A.
Jawa Barat - Indonesia
Phone : N.A.
Fax : N.A.
Email : N.A.-

BANKING INFORMATION

Banker (s)

- PT. Bank HSBC Indonesia
- PT. Bank DBS Indonesia

Insurance

- Badan Penyelenggara Jaminan Sosial (BPJS)

BUSINESS PROSPECTS

Business Prospects

We predict that the non-oil and gas manufacturing industry will only grow by 4.75% – 5.25% in 2018, or lower than the 5.67% growth targeted by the government. These predicted figures are calculated based on the data issued by the Central Bureau of Statistics.

After experiencing negative growth in the past two years, the national textile and garment industry began to record positive growth in 2017. The textile exports in Indonesia had reached USD 12.4 billion in 2017, exceeding the target of the Indonesian Textile Association (API) of USD 11.8 billion.

This positive performance is, among other, as results of activities of a task force called 'Task Force on Import of High-Risk Goods' (Satuan Tugas Penertiban Impor Barang Berisiko Tinggi), formed by the government.

The other influencing factors are the implementation of the government's fiscal and non-fiscal policies through some economy deregulation packages to create a conducive investment climate for the sector. The policies include a provision of fiscal incentives, in the form of tax allowance and tax holiday.

Referring to some influencing factors shown above, PT. Visi Globalindo Data Utama predicts that in this year 2018, this textile and garment sector will grow by around 3%, with an average export growth of 11% per year. These figures could be even higher if the government can secure the stability of the national economy.

It is a fact that the textile and garment industry is one of the priority sectors in the National Industrial Development Master Plan or Rencana Induk Pembangunan Industri Nasional (RIPIN) 2015-2035. This sector is expected to contribute significantly to the national economy. As for the workforce, this sector is expected to absorb some 2.95 million workers or increasing from 2.73 million workers absorbed last year.

Based on the data shown above, we believe that the textile industry is still prospective in the future so the demand for textile machinery will also increase.

FINANCIAL STATEMENT

Sales Turn Over	- 2013 - IDR 50,200,000,000 (Estimated)
	- 2014 - IDR 49,196,000,000 (Estimated)
	- 2015 - IDR 24,598,000,000 (Estimated)
	- 2016 - IDR 22,650,000,000 (Estimated)
	- 2017 - IDR 20,838,000,000 (Estimated)

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Total Assets	As the Company is not a publicly listed company, we are unable to give a detailed picture of the financial condition of the Company.
Other Financial Data	Since the Company is not a publicly listed company, we cannot provide details on the financial condition of the Company.

CREDITWORTHINESS

Management Capability	Adequate
Business Morality	Adequate
Payment Manner	No Complaints
Financial Condition	Poor
Operating Trend	Down
Conclusive remarks	<p>The Company operates since 2007 and is engaged in the sale of used textile machinery for domestic and abroad sale. The Company imports products from Thailand and Germany. Then the Company also exported products to Bangladesh, India, and Thailand.</p> <p>As we know, the Company's operational performance over the past two years has experienced a significant decline as seen from declining sales due to the global textile sector. However, in terms of financing the Company does not experience payment problems from customers or suppliers so that cash flow is still smooth.</p> <p>However, in terms of business outlook, the prospect of the national textile industry in 2018 is predicted to increase further and the 11% target growth of export. Therefore, we believe that the purchase of textile machines will continue to exist and the trend will increase. Based on these considerations, we rate the Company's credit rating at Medium to High Risk.</p> <p>For security reason, nevertheless, we advise those wishing to make cooperation with and to grant loans to the Company to ask for adequate collaterals from the owners and management.</p>

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.95
UK Pound	1	INR 88.19
Euro	1	INR 78.99
IDR	1	INR 0.0048

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)