

MIRA INFORM REPORT

Report No. :	543535
Report Date :	06.12.2018

IDENTIFICATION DETAILS

Name :	CV. INDO AGRO LESTARI
Registered Office :	Jl. Cendrawasih No. 26 A, Lantai III RT. 01, RW. 10, Kelurahan Krembangan Selatan, Kecamatan Krembangan, Kota Surabaya 60175, Jawa Timur
Country :	Indonesia
Date of Incorporation :	2000
Legal Form :	Commanditaire Vennootschap or CV
Line of Business :	<ul style="list-style-type: none"> • Wholesale trade, except of motor vehicles and motorcycles • Wholesale of agricultural raw materials and live animals • Wholesale of food, beverages and tobacco • Wholesale of grain, unmanufactured tobacco, seeds and animal feeds • Wholesale of fruit and vegetables
No. of Employees :	12 [2018]

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.

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
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.

Poverty and unemployment, inadequate infrastructure, corruption, a complex regulatory environment, and unequal resource distribution among its regions are still part of Indonesia's economic landscape. 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	CV. Indo Agro Lestari
Address	Jl. Cendrawasih No. 26 A, Lantai III RT. 01, RW. 10 Kelurahan Krembangan Selatan, Kecamatan Krembangan Kota Surabaya 60175 Jawa Timur - Indonesia
Telephone	+62313559819
Fax	N.A.
Mobile Phone	N.A.
Email	lestariindoagro@yahoo.com
Web	N.A.

PROFILE

Address	Jl. Cendrawasih No. 26 A, Lantai III RT. 01, RW. 10 Kelurahan Krembangan Selatan, Kecamatan Krembangan Kota Surabaya 60175 Jawa Timur - Indonesia
Office Building	a. Area - Commercial b. Status - Owned
Date Of Establishment	- 2000
Start Operation	2000
Legal Status	Commanditaire Vennootschap or CV
Legalization (historical)	N.A.
Government Permit (s)	N.A.
Significant change	CV. Indo Agro Lestari (the Company) is a Commanditaire Vennootschap or CV company, which was founded in 2000s in Surabaya - East Java, Indonesia. However, the active partner of the Company is Mr. Arista Wibowo. Meanwhile, up to completion the report we do not know the passive partner of the Company. Since it is Commanditaire Vennootschap (CV) Company, so we cannot show you details about the establishment date, capitalization, and ownership structure of the Company.
Capitalization	
- Authorized Capital	N.A.
- Issued Capital	N.A.
- Paid Up Capital	N.A.

SHAREHOLDERS & MANAGEMENT

Shareholders	Total No. of Shareholders: 2 Shareholders as N.A. Total Shareholding private - N.A. shares
Name of Shareholders	- Mr. Arista Wibowo (0 shares) - - Passive Partner of CV. Indo Agro Lestari (0 shares) -
Management Board	
Name	Mr. Arista Wibowo
Position	Director
Nationality	Indonesian
Supervisory Board	
Name	Passive Partner of CV. Indo Agro Lestari
Position	Passive Partner
Nationality	Indonesian
Management Assessment	The management is modest, but we believe the management is able to manage subject properly.
Authorized Signatories	Mr. Arista Wibowo as Director and Active Partner of the Company must be approved by partners meeting.
Affiliate (s) / Associate (s)	N.A.

KEY DATA ON OPERATIONS

Registered Activities	SIC Code 46 : Wholesale trade, except of motor vehicles and motorcycles
Employee	Per 2018 Approximately - 12
Bussiness Category	SIC Code 46.2 : Wholesale of agricultural raw materials and live animals SIC Code 46.3 : Wholesale of food, beverages and tobacco
Line of Business	SIC Code 46.21 : Wholesale of grain, unmanufactured tobacco, seeds and animal feeds SIC Code 46.31 : Wholesale of fruit and vegetables
Product & Capacity	N.A.
Status of Investment	Non-facilities based Company
Sales Territory	Local 100% International 00%
Main Items Imported And	- fruit and vegetables - China

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Country Origin	- fruit and vegetables - New Zealand - fruit and vegetables - India
Main Items Exported And Country Destination	N.A.
Major Customers	- PT. Dunia Buah Mandiri - PT. Dua Kelinci - PT. Manohara Asri
Major Suppliers	- Supplier from China - Supplier from New Zealand - Supplier from India
Terms of Payment	Purchase Payment Domestic : Telegraphic Transfer (T.T) based on Agreement Overseas : Advance payment with Telegraphic Transfer (T.T)
Activity Comment	Sale Term Domestic : Telegraphic Transfer (T.T) based on Agreement Overseas : N.A. CV. Indo Agro Lestari (the Company) is a non-facilities based company that is engaged in trading since 2000's. The Company's head office and warehouse are located in a commercial area, precisely at Jl. Cendrawasih No. 26 A, Lantai III RT. 01, RW. 10, Kelurahan Krembangan Selatan, Kecamatan Krembangan, Kota Surabaya 60175, Jawa Timur - Indonesia. We believe that the location is owned by the Company. Based on our investigation, the Company is engaged as the distributor of fresh fruits and vegetables. The fruits in question are oranges, apples, grapes, whereas for vegetables are garlic and peanuts. In addition, the Company also provides products in the form of vegetable and fruit seeds. In carrying out its business activities, the Company obtained its products through 100% import activities from China, New Zealand and India. In addition, the Company also collaborates with farmers in Lombok area, East Nusa Tenggara in Chinese-garlic cultivation in Indonesia. As of December 2017, within 1 month, the Company can import up to 33 times and reach 83 containers. Then, in early January 2018, the Company experienced a decline in import, which was only around 40 containers. Meanwhile, in October 2018, the Company only imported up to 26 containers. Then, the Company's customers come from companies both manufacturing and distributors such as PT. Dua Kelinci, PT. Manohara Asri and PT. Dunia Buah Mandiri. In term of performance, the Company can increase revenue in 2015. This is due to the high demand and the absence of import quota from the government for horticulture products.

	<p>However, the decline began to occur from 2016 to 2017 where there were restrictions on imports of horticultural products. This continued until the fourth quarter of 2018 where the decline in import quota reached 50%.</p> <p>According to our source, the strategy used by the Company at this time is to participate in breeding the seeds of the horticulture as done in Lombok and in collaboration with farmers.</p> <p>Related to payment, so far, the Company did not experience a significant the problem of payment both with suppliers and customers, due to the payment still completed in accordance maturity agreed.</p> <p>In 2018, the Company is supported by approximately 12 employees.</p>
Litigation	<p>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.</p>
Sources	<p>Mr. Arista Wibowo (Director of the Company, contacted on December 5, 2018) and public sources.</p>
Warehouse Address	<p>Jl. Cendrawasih No. 26 A, Lantai III RT. 01, RW. 10 Kelurahan Krembangan Selatan, Kecamatan Krembangan Kota Surabaya 60175 Jawa Timur - Indonesia Phone : +62313559819 Fax : - Email : lestariindoagro@yahoo.com</p>

BANKING INFORMATION

Banker (s)	- PT. Bank Central Asia Tbk
Insurance	- Badan Penyelenggara Jaminan Sosial (BPJS)

BUSINESS PROSPECTS

Business Prospects	<p>Although it is predicated as an agricultural country, Indonesia still needs to import vegetables and fruits from abroad. Central Bureau of Statistics noted that imports of various vegetables and fruits in Indonesia are still high.</p> <p>Throughout January-February 2017, the imports of vegetables by Indonesia totaled up to 148,216 tons valued at USD 148.58 million. Meanwhile, imports of fruits in the period January-February 2017 amounted to 161,402 tons valued at USD 233.44 million.</p> <p>The same as vegetables, the largest imported fruits are also coming from China with total volume of 96,737 tons (USD 137.36 million). Meanwhile, the rest is coming from Thailand, Pakistan,</p>
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the United States, Egypt, and others.

The fluctuating import of certain commodities reflects the fluctuating need and behavior of the market.

Actually, Indonesia has a diverse variety of types of fruits. Unfortunately, the fruit consumption in the country is still very low. In fact, it is below the standard, namely only 34.55 kg per capita per year – far lower than the adequacy standard at 73 kg per capita per year, or health adequacy standard at 91.25 kg per capita per year.

On the other hand, the total need for Indonesian garlic a year reaches 480 thousand tons to 500 thousand tons. Of these, 95% are imported garlic and only 5% comes from local products. It has been known for a long time that Indonesia is a net importer of garlic.

The Ministry of Agriculture, through the Food Resilience Agency (Badan Ketahanan Pangan), targets in 2019 the volume of imports of beef products, sugar cane, cow's milk, cotton, soybeans, garlic, cassava, wheat, and peanuts will decline.

The decline in imports next year is believed to be able to save foreign exchange for imports amounting to IDR 191.12 trillion.

Meanwhile, imported peanuts are mostly from India and Thailand, and these nuts dominate the local market. Monitoring in some markets, on average, traders sell more imported peanuts than local peanuts and the ratio reached 80% compared to 20%.

In addition, imported peanut prices are cheaper than local peanuts. On average, imported peanut prices range from IDR 18,000- IDR 20,000 per kg, while local peanuts are pegged at IDR 25,000 per kg.

Based on the data shown above, and regarding the high demand for imported fruits, peanut and garlic in the country, we believe that the Company's business sector is still quite prospective.

FINANCIAL STATEMENT

Sales Turn Over	- 2015 - IDR 65,500,000,000 (Estimated)
	- 2016 - IDR 56,000,000,000 (Estimated)
	- 2017 - IDR 51,000,000,000 (Estimated)

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 As the Company is not a publicly listed company, we are unable to provide details on the financial condition of the Company.

CREDITWORTHINESS

Management Capability
Business Morality
Payment Manner
Financial Condition
Operating Trend
Conclusive remarks

Adequate
Adequate
No complaints
Satisfactory
Down

As we learned, the Company is engaged as a distributor for horticultural products such as oranges, apples, grapes, garlic and peanuts since 2000s. The Company conducts 100% import activities and markets them to distributors and manufacturing companies in Indonesia.

In term of performance, the Company can increase its revenue and sales in 2015. However, the decline has occurred since 2016 until the fourth quarter of 2018. This is due to the imposition of import quotas set by the government regarding horticulture imports.

Related to payment, so far, the Company did not experience a significant the problem of payment both with suppliers and customers.

Based on the descriptions shown above, we learn that the business the Company is involved in is very vulnerable to government regulation and the fluctuating rate of foreign currency.

Nevertheless, for security reason, we advise those wishing to cooperate with or grant loans to this Company to keep asking for adequate collateral from shareholders.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.52
UK Pound	1	INR 89.45
Euro	1	INR 79.84
IDR	1	INR 0.0049

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)