

MIRA INFORM REPORT

Report No. :	542378
Report Date :	06.12.2018

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IDENTIFICATION DETAILS

Name :	PT. DEWATA INDUSTRINDO FORESTRY
Registered Office :	Jl. Raya Babat Jombang KM 10, Kelurahan Kalen, Kecamatan Kedungpring Kab. Lamongan 62272, Jawa Timur
Country :	Indonesia
Date of Incorporation :	29.09.2015
Legal Form :	Private Limited Liability Company or Perseroan Terbatas (PT)
Line of Business :	<ul style="list-style-type: none"> • Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials • Manufacture of veneer sheets and wood-based panels
No. of Employees :	300

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 (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	PT. Dewata Industrindo Forestry
Address	Jl. Raya Babat Jombang KM 10 Kelurahan Kalen, Kecamatan Kedungpring Kab. Lamongan 62272 Jawa Timur - Indonesia
Telephone	+623224651280, +623224651316
Fax	+623217495214
Mobile Phone	N.A.
Email	dewataindustrindo@gmail.com
Web	N.A.

PROFILE

Address	Jl. Raya Babat Jombang KM 10 Kelurahan Kalen, Kecamatan Kedungpring Kab. Lamongan 62272 Jawa Timur - Indonesia
Office Building	a. Area - Commercial b. Status - Owned
Date Of Establishment	- 29 September 2015
Start Operation	2017
Legal Status	Private Limited Liability Company or Perseroan Terbatas (PT)
Legalization (historical)	No. AHU-2458956.AH.01.01.Tahun 2015 Dated, 01 October 2015
Government Permit (s)	Kementerian Perdagangan TDP - 8120214000428 Kementerian Lingkungan Hidup dan Kehutanan Republik Indonesia IUIPHHK - No. 13/1/IUIPHHK/PMDN/2016 tanggal 14 Desember 201 Kementerian Perindustrian IUI - No. 1/3524/IU/PMDN/2017
Significant change	PT. Dewata Industrindo Forestry (the Company) was established on September 29, 2015 in Lamongan, East Java with the authorized capital of IDR 5,000 million of which IDR 1,250 million was issued and paid up. Meanwhile, the Company's shareholders consisted of Mr. Joso Ramli (92.000 %), Mr. Enrico Tjahjono (4.000 %) and Mr. Steve Suryadinata Hartono (4.000 %). Up to the completion of this report, the structure of the Company's capitalization and shareholders remain unchanged.

Capitalization

- Authorized Capital	IDR 5,000,000,000
- Issued Capital	IDR 1,250,000,000
- Paid Up Capital	IDR 1,250,000,000

SHAREHOLDERS & MANAGEMENT

Shareholders	Total No. of Shareholders: 3 Shareholders as 01 October 2015 Total Shareholding private - 1,250 shares
Name of Shareholders	<ul style="list-style-type: none"> - Mr. Joso Ramli (1,150 shares) - 92.000 % - Mr. Enrico Tjahjono (50 shares) - 4.000 % - Mr. Steve Suryadinata Hartono (50 shares) - 4.000 %
Management Board	
Name	Mr. Enrico Tjahjono
Position	President Director
Nationality	Indonesian
Name	Mr. Steve Suryadinata Hartono
Position	Director
Nationality	Indonesian
Supervisory Board	
Name	Mr. Joso Ramli
Position	Commissioner
Nationality	Indonesian
Management Assessment	The management is deemed to have sufficient experience and industry expertise to manage subject properly.
Authorized Signatories	Mr. Enrico Tjahjono as President Director of the Company and Mr. Steve Suryadinata Hartono as Director of the Company which must be approved by shareholders meeting.
Affiliate (s) / Associate (s)	<ul style="list-style-type: none"> - PT. Dewata Cipta Semesta (Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials)

KEY DATA ON OPERATIONS

Registered Activities	SIC Code 16	: Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
Employee	Per December 2018	

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Bussiness Category	SIC Code 16.2 : Manufacture of products of wood, cork, straw and plaiting materials
Line of Business	SIC Code 16.21 : Manufacture of veneer sheets and wood-based panels
Product & Capacity	- Sawnwood - 12,000 meter cubics p.a - Veneer - 7,000 meter cubics p.a - Moulding - 7,200 meter cubics p.a
Status of Investment	Non-facilities based Company
Sales Territory	Local 30% International 70%
Main Items Imported And Country Origin	N.A.
Main Items Exported And Country Destination	- Wood Products - India
Major Customers	- Buyers from India
Major Suppliers	- PT. Dewata Cipta Semesta
Terms of Payment	Purchase Payment Domestic : Telegraphic Transfer (T.T) with credit term based on agreement Overseas : N.A.
	Sale Term Domestic : Telegraphic Transfer (T.T) with credit term based on agreement Overseas : Telegraphic Transfer (T.T) with credit term based on agreement
Activity Comment	PT. Dewata Industrindo Forestry (the Company) is a non-facilities based company that started operation since 2017. The Company's head office, and factory are located in a commercial area at the address registered in the legality: Jl. Raya Babat Jombang KM 10, Kelurahan Kalen, Kecamatan Kedungpring, Kab. Lamongan, 62272, Jawa Timur - Indonesia. The location is owned by the Company. As Information, phone number listed in Order Sheet +628123167777 cannot be contacted. Based on our investigation, the Company is engaged as a manufacturer of sawmilling and wood processing industry such as sawn wood, veneer, and molding. In its operation, the Company has capacity production for sawn wood 12,000 cubic meters per annual, Veneer 7,000 cubic meters per annual and molding 7,200 cubic meters per annual. The Company obtained Timber Legality Verification (VLK) for

	<p>Business License for Wood Forest Product Primary Industry or Izin Usaha Industri Primer Hasil Hutan Kayu (IUIPHHK) business capacity of 6,000 m³/year, and Industrial Business License (Izin Usaha Industri) with an Investment Value of IDR 500,000,000, excluding land and buildings for sawn timber, veneer, and molding wood.</p> <p>In its operations, the Company is supported by local companies. One of the local suppliers of the Company which is also an affiliate, namely PT. Dewata Cipta Semesta.</p> <p>The Company markets 70% of its products to the overseas market, India. Then, 30% of the Company's products are marketed to the local market. But unfortunately, our source refused to inform the buyer's name the Company.</p> <p>Our source said that the demand for the Company's products since 2017 until the fourth quarter of 2018 showed an increase. But unfortunately, the Company experienced an increase in the collection day period.</p> <p>Until this December, the Company is supported by 300 employees yang terdiri dari 70 karyawan tetap dan 130 karyawan kontrak.</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 search results for cases conducted at the State Court in the area where the Company was established and operates today.</p>
Sources	<p>Mr. Enrico Tjahjono (Director of the Company, contacted on 5 December 2018) and Public Sources.</p>
Factory Address	<p>Jl. Raya Babat Jombang KM 10 Kelurahan Kalen, Kecamatan Kedungpring Kab. Lamongan 62272 Jawa Timur - Indonesia Phone : +623224651280, +623224651316 Fax : +62317495214 Email : dewataindustrindo@gmail.com</p>

BANKING INFORMATION

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

BUSINESS PROSPECTS

Business Prospects	<p>It is believed that export of processed timber products was not significantly changing in 2017. Nevertheless, the timber industrial players are optimistic that their sales will increase in 2018. Up to October 2017, total sales of the processed timber recorded</p>
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USD 1.72 billion and could reach USD 2 billion for the whole year 2017 or similar as in 2016.

The sales of the processed timber products are expected to continue to increase in 2018, as impacts of the implementation of the Law Enforcement, Trading Management and Order (FLEGT). It is believed that the FLEGT can increase competitiveness and the sales price of Indonesian timber products.

Timber and wood products are exported to the US market, accounting for 43% of the total export value of this commodity group. In addition, exported to other traditional markets such as China, Japan, Republic of Korea and so on.

Over the past few years, timber and wood product exports to the EU market also account for about 10% of total export value, reaching approximately USD 600-700 million per year. It is estimated that when the Vietnam-EU Free Trade Agreement (EVFTA) becomes effective, it will create a real slant for export to this market.

In the forecast, the target of forestry export exports in 2018 amounted to USD 9 billion, among timber and wood products occupy more than USD 8.5 billion, then until the year 2020, the total value of forestry exports reached USD 10 billion.

Based on the data shown above, we believe that the timber industry in Indonesia is still quite prospective. Yet, the development of the industry also needs high support from the government, particularly for meeting the supply of raw materials.

FINANCIAL STATEMENT

Sales Turn Over	- 2017 - IDR 30,000,000,000 (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	Since the Company is not a publicly listed company, we cannot provide details on the Company's financial condition.

CREDITWORTHINESS

Management Capability	Adequate
Business Morality	Adequate
Payment Manner	Slow but Correct
Financial Condition	Satisfactory
Operating Trend	Undetermined
Conclusive remarks	The Company is engaged in sawmilling and wood processing

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industry since 2017, with focuses on the production of sawn wood, veneer, and molding. The Company's market share is greater in the overseas market, India and also supported by local markets.

The Company's business performance is not optimal because it is only operational so it must do a strategy for its marketing activities. The demand for the Company's products continues to increase until the fourth quarter of 2018. Unfortunately, the Company has experienced problems with the increase in the collection day period.

Meanwhile, seeing the sales of the processed timber for export predicted to increase, so we believe that the Company is still prospective in the future if the Company can expand markets. However, for security reasons, we advise those wishing to cooperate with or grant loans to the Company, to seek adequate collateral from the 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 :	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)