

MIRA INFORM REPORT

Report No. :	541593
Report Date :	27.11.2018

IDENTIFICATION DETAILS

Name :	P.T. DUA SEKAWAN RESPATI
Formerly Known As :	P.T. DUA SEKAWAN RESPATI ENTERPRISES
Registered Office :	Jl. Nusantara X Block D No.35 Sunter Sacna, Jakarta 14350
Country :	Indonesia
Date of Incorporation :	04.01.1984
Com. Reg. No.:	AHU-AH.01.03-0246465
Legal Form :	Limited Liability Company
Line of Business :	Garment Manufacturing
No. of Employees :	410

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 :	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 SUMMERY

Name of Company :

P.T. DUA SEKAWAN RESPATI

Address :

Head Office

Jl. Nusantara X Block D No.35
Sunter Sacna, Jakarta 14350
Indonesia

Phone - (62-21) 6530 6600 (hunting)
Fax. - (62-21) 6530 7700
Building Area - 2 storey
Office Space - 180 sq. meters
Region - Commercial
Status - Owned

Factories

- a. Jl. Raya Tlajung Udik
Gunung Putri, Cibinong 16962
Bogor, West Java
Indonesia
Phones - (62-21) 8671712, 8675504, 8675505
Fax. - (62-21) 8671713
Land Area - 10,500 sq. meters
Building Area - 8,800 sq. meters
Region - Industrial Zone
Status - Owned
- b. Jl. Siliwangi, RT.04, RW.07
Desa Bangkong Reang, Kel. Benda
Sukabumi, West Java
Indonesia
Phones - (62-266) 737 926
Fax. - (62-266) 737 927
Land Area - 13,600 sq. meters
Building Area - 10,200 sq. meters
Region - Industrial Zone
Status - Owned

Date of Incorporation :

- a. 04 January 1984 as P.T. DUA SEKAWAN RESPATI ENTERPRISES
b. 23 February 2001 as P.T. DUA SEKAWAN RESPATI

Legal Form :

P.T. (Perseroan Terbatas) or Limited Liability Company

Company Reg. No. :

The Ministry of Law and Human Rights

- a. No. C2-4820.HT.01.01.Th.85
Dated 03 August 1985
- b. No. C-18.369.HT.01.04.TH.2001
Dated 05 November 2001
- c. No. AHU-21499.AH.01.02.Tahun 2009
Dated 19 May 2009
- d. No. AHU-AH.01.10-33044
Dated 15 August 2013
- e. No. AHU-AH.01.03-0086392
Dated 05 October 2016
- f. No. AHU-AH.01.03-0246465
Dated 26 September 2018

Company Status :

National Private Company

Permit by the Government Department :

The Department of Finance

NPWP No. 01.314.092.6-048.000

Related/Affiliated Companies :

- a. P.T. RAVINDO BANGUNPERSADA (Property Development and Office Space Leasing)
- b. P.T. RAVINDO JAYA (Financial Services and Real Estate Development)
- c. P.T. BUMI PERTIWI LESTARI (Coal Mine Management and Commerce)
- d. P.T. METAL GLOBALINDO (Trading and Distribution of Steel Products)
- e. MONEX INVESTINDO FUTURES (Financial Partnership)

CAPITAL AND OWNERSHIP

Capital Structure :

Authorized Capital - Rp. 4,000,000,000.-
Issued Capital - Rp. 4,000,000,000.-
Paid up Capital - Rp. 4,000,000,000.-

Shareholders/Owners :

a. Mr. Manohar Lachmandas Nanwani - Rp. 1,280,000,000.- (32%)

Address : Jl. Pangdaran II No.3B
North Jakarta
Indonesia

b. Mr. Amrit Chandarban Lakhiani - Rp. 1,360,000,000.- (34%)

Address : Jl. Jambu No. 7
Central Jakarta
Indonesia

c. Mr. Mohandas Rajaram Lakshiani - Rp. 1,360,000,000.- (34%)
Address : Jl. Jambu No. 7,
Central Jakarta
Indonesia

BUSINESS ACTIVITIES

Lines of Business :
Garment Manufacturing

Production Capacity:
On the order basis

Total Investment :
a. Equity Capital - Rp. 4.0 billion
b. Loan Capital - Rp. 20.0 billion
c. Total Investment - Rp. 24.0 billion

Started Operation :
1985

Brand Name :
DSR

Technical Assistance :
None

Number of Employee :
410 persons

Marketing Area :
a. Export - 95%
b. Local - 5%

Main Customers :
Overseas buyer in USA, United Kingdom, Australia and Singapore

Market Situation :
Very Competitive

Main Competitors :
c. PT. Ungaran Sari Garment
d. PT. Sri Rejeki Isman (Sritex)
e. PT. Busana Remaja Agracipta
f. PT. Bintang Adi Busana
g. PT. Leading Garment Industry
h. PT. Metro Garment

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i. Etc.

Business Trend :
Growing

BANKER, AUDITOR & LITIGATION

Bankers :

- a. P.T. Bank EKONOMI Tbk
Jl. Sunter Agung Utara Raya Blok E No.3E-F
Sunter Agung Podomoro
North Jakarta
Indonesia
- b. The Hongkong and Shanghai Banking Corp
Jl. Griya Utama, Komp. Puri Mutiara Blok A 93-95
Sunter Agung Podomoro
North Jakarta
Indonesia
- c. P.T. Bank DANAMON Tbk
Jl. Danau Sunter Utara Blok B-1-B No.15-16
Sunter Agung Podomoro
North Jakarta
Indonesia

Auditor :
Internal Auditor

Litigation :
No litigation record in our database

FINANCIAL FIGURE

Annual Sales (estimated) :

2014 – Rp. 294.0 billion
2015 – Rp. 318.0 billion
2016 – Rp. 346.0 billion
2017 – Rp. 378.0 billion
2018 – Rp. 212.0 billion (January – June)

Net Profit (estimated) :

2014 – Rp. 19.0 billion
2015 – Rp. 20.5 billion

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2016 – Rp. 22.4 billion
2017 – Rp. 24.5 billion
2018 – Rp. 13.7 billion (January – June)

Payment Manner :

No Complaints

Financial Comments :

Fairly

KEY EXECUTIVES

Board of Management :

President Director - Mr. Manohar Lachmandas Nanwani
Director - Mr. Lakhiani Tejghan

Board of Commissioners :

Commissioner - Mr. Mohandas Rajaram Lakhiani

Signatories :

President Director (Mr. Manohar Lachmandas Nanwani) or Director (Mr. Lakhiani Tejghan) which must be approved by Board of Commissioner (Mr. Mohandas Rajaram Lakhiani)

CAPABILITIES

Management Capability :

Good

Business Morality :

Good

OVERALL PERFORMANCE

Originally named P.T. DUA SEKAWAN RESPATI ENTERPRISES, the company was established in Jakarta in January 1984 with an authorized capital of Rp. 100,000,000.- of which Rp. 40,000,000.- was issued and fully paid up. The founding shareholders of the company are Mr. Ramesh Lachiram Nanwani (50%) and Mr. Ishwar Gopaldas Nanwani (50%), both Indonesian businessmen of Indian extraction. The Deed of establishment has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decision Letter No. C2-4820.HT.01.01.Th.85 dated August 3, 1985. The Articles of association of the company have frequently been revised. In February 2001, the company's name was changed to P.T. DUA SEKAWAN RESPATI. Concurrently, the authorized capital was raised to Rp. 4,000,000,000.- of which Rp. 2,500,000,000.- was issued and fully paid up. Since at the time, the shareholders of the company are Mr. Chandarban Vasandmal Lakhiani

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(34%), Mr. Baiju Chelaram Kirpalani (34%) and Mr. Manohar Lacmandas Nanwani (32%). The amendment to notarial Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decree No. C-18.369.HT.01.04.TH.2001 dated November 5, 2001.

In February 2013 based on notarial Deed No. 6 dated February 26, 2013 made by Notary Surdjono Arham, SH., the issued capital was raised to Rp. 4,000,000,000.- entirely paid up. Concurrently, Mr. Chandarban Vasandmal Lahiani pulled out and his shares are sold to Mr. Amrit Chandarban Lakhiani. The amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through Decree No. AHU-AH.01.10-33044 dated August 15, 2013. In September 2016 based on notarial Deed of Dedy Pramono, SH., No. 01 dated September 5, 2016, concerning the change in composition of the Company's board Directors. The amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decree No. AHU-AH.01.03-0086392 dated October 5, 2016. The most recently by notarial Deed of Dedy Pramono, SH., No. 11 dated September 25, 2018, concerning the reappointment in composition of the Company's board Directors. This amendment to Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decree No. AHU-AH.01.03-0246465 dated September 26, 2018.

P.T. DUA SEKAWAN RESPATI (P.T. DSR) has been in operation since 1985 dealing garment manufacturing. The company manages two plants are located on Jl. Raya Tlajung Udik, Gunung Putri, Cibinong, Bogor, West Java and Jl. Siliwangi, RT.04, RW.07, Desa Bangkong Reang, Sukabumi, West Java. The plants have been expanded for a couple of times to increase its production capacity and the company produces garments (apparels) based on the buyer's order.

Mrs. Kusumawati, a marketing staff of the company explained that the range of garments includes both Men's and Women's wears, children wears and causal shirts, blouses, pants, shorts, skirts, dresses, blazers and suits, sport wears, etc. In addition, the Company caters to buyers such as Adidas, Jc Penney, Walmart, Target, Lollytogs, Sears, Dollar General and Family Dollar. About 95% of the company's products are exported to various countries while the USA, United Kingdom, Australia, Singapore and others. Meanwhile the rest of 5% is marketed locally among supermarket management and others. We observed that P.T. DSR is classified as a medium sized company of its kind in the country of which the operation has been growing in the last five years.

Generally, demand for textile and textile product including finished fabrics, garment, cotton yarn, polyester textured yarn, textile chemicals and raw materials has been fluctuating in the last five years. According to the Central Bureau of Statistics (BPS) the Indonesia textile products export in 2002 amounted to 1,425.9 tons (US\$ 3,075.9 million) to 1,307.5 tons (US\$ 3,064.6 million) in 2003 to 1,300.4 tons (US\$ 3,354.6 million) in 2004 to 1,427.3 tons (US\$ 3,704.0 million) in 2005 to 1,477.800 tons (US\$ 3,908.6 million) in 2006 to 1,473.6 tons (US\$ 4,178.0 million) in 2007 declined to 1,312,200 tons (US\$ 4,127.9 million) in 2008 to 1,369,600 tons (US\$ 3,602.8 million) in 2009 to 1,525,900 tons (US\$ 4,721.8 million) in 2010 declined to 1,493,3000 tons (US\$ 5,563.3 million) in 2011 rose again to 1,508,500 tons (US\$ 5,278.1 million) in 2012 to 1,633.1 thousand tons (US\$ 5,293.6 million) in 2013 and to 1,815.6 thousand tons (US\$ 5,379.9 million) in 2014 and dropped to 1,481.7 thousand tons (US\$ 4,415.0 million) in 2015 to 1,563.9 thousand tons (US\$.4,60.0 million) in 2016 and rose again to 1,634.2 thousand tons (US\$.4,837.0 million) in 2017. The export volume and value of the national TPT products in 2002 to 2016 are pictured on the following table.

Year	Textile Products		Garment	
	(Thousand Ton)	(US\$ Million)	(Thousand Ton)	(US\$ Million)
2002	1,425.9	3,075.9	333.1	3,887.2
2003	1,307.5	3,064.6	339.9	4,037.9
2004	1,300.4	3,354.6	327.3	4,351.9
2005	1,427.3	3,704.0	369.5	4,967.0

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2006	1,477.8	3,908.6	399.6	5,608.1
2007	1,473.6	4,178.0	399.8	5,712.9
2008	1,312.2	4,127.9	417.6	6,092.2
2009	1,369.6	3,602.8	393.4	5,735.6
2010	1,525.9	4,721.8	445.2	6,598.0
2011	1,493.3	5,563.3	450.9	7,801.5
2012	1,508.5	5,278.1	450.2	7,304.8
2013	1,633.1	5,293.6	470.2	7,501.0
2014	1,815.6	5,379.9	463.9	7,450.9
2015	1,481.7	4,415.0	378.6	6,410.9
2016	1,563.9	4,660.0	425.9	7,212.6
2017	1,634.2	4,837.0	445.0	7,537.2

Until this time P.T. DSR has not been registered with Indonesian Stock Exchange, so that they shall not obliged to announce their financial statement. Therefore, the company has no obligation to publish financial statement publicly. We have checked to Department of Trade and Industry and found that no financial statement has been reported. P.T. DSR's management is very reclusive to outsider and rejecting to disclose its financial condition but we estimated the total sales turnover of the company in 2015 amounted to Rp. 318.0 billion increased to Rp. 346.0 billion in 2016 and rose again to Rp. 378.0 billion in 2017. The operation in 2017 yielded a net profit at least Rp. 24.5 billion and the company has a total net worth of Rp. 185.0 billion. It is projected that total sales turnover of the company will increase at least 8% in 2018. So far we did not hear that P.T. DSR has been black listed by Bank Indonesia (Central Bank) or having detrimental cases being settled in local district court. The company usually pays its debts punctually to suppliers.

The company's management is headed by Mr. Manohar Lachmandas Nanwani (68) as President Director and CEO of the company. He is an Indonesian businessman of Indian descent with experience for 33 years in garment manufacturing and trading. In daily activities, he is assisted by Mr. Lakhiani Tejbhan (60) as Director and Mr. Mohandas Rajaram Lakhiani (47) as Commissioner. The company's management has wide relations in private business circles within and outside the country and in the ranks of high-ranking government officials as well. 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. DUA SEKAWAN RESPATI is appraised to be good for business transaction. However, in view of the economic condition in the country is still unstable, we recommend to treat prudently in extending any new loan to the company.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.71
UK Pound	1	INR 90.65
Euro	1	INR 80.27
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 :	TRU

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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)