

## MIRA INFORM REPORT

Report No. :	533504
Report Date :	10.10.2018

### IDENTIFICATION DETAILS

Name :	P.T. BINA BUMI SHANKARA MINERALS
Registered Office :	Jl. Bungur Besar Raya No. 32-H, Jakarta Pusat 10610
Country :	Indonesia
Financials (as on) :	2017 (Summarized)
Date of Incorporation :	19.05.2010
Com. Reg. No.:	AHU-AH.01.03-0086629
Legal Form :	P.T. (Perseroan Terbatas) or Limited Liability Company
Line of Business :	Trading, Export-Import and Distribution of Agricultural Products.
No. of Employees :	12

### 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

Status :	Satisfactory
Payment Behaviour :	Slow but Correct
Litigation :	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.

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

## **BASIC SEARCH**

Name of Company :  
P.T. BINA BUMI SHANKARA MINERALS

Address :  
Head Office  
Jl. Bungur Besar Raya No. 32-H,  
Jakarta Pusat 10610  
Indonesia  
Phones - (62-21) 8168 79649, (62-813) 7269 2626  
Fax - (62-21) 8168 79650  
Building Area - 3 storey  
Office Space - 180 sq. meters  
Region - Commercial  
Status - Rent

Date of Incorporation :  
19 May 2010

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

Company Reg. No. :  
The Ministry of Law and Human Rights  
a. No. AHU-29401.AH.01.01.Tahun 2010  
Dated 09 June 2010  
b. No. AHU-AH.01.03-0086629  
Dated 05 October 2016

Company Status :  
National Private Company

Permit by the Government Department :  
The Department of Finance  
NPWP No. 03.031.324.1-027.000

Related/Affiliated Company :  
Not available

## **CAPITAL AND OWNERSHIP**

Capital Structure :  
Authorized Capital - Rp. 500,000,000.-  
Issued Capital - Rp. 150,000,000.-

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Paid up Capital - Rp. 150,000,000.-

Shareholders/Owners :

a. *Mr. Mahesh Tarachand Mirchandani* - Rp. 90,000,000.- (60.00%)

Address : Jl. Agung Perkasa 12 Blok J-13/5,  
Sunter Agung Podomoro,  
North Jakarta

b. *Mr. Kanta Sunil Mirchandani* - Rp. 60,000,000.- (40.00%)

Address : Apartemen Franch Walk Unit LDG 11-G,  
Kelapa Gading Square,  
North Jakarta

## ***BUSINESS ACTIVITIES***

Lines of Business :

Trading, Export-Import and Distribution of Agricultural Products

Production Capacity :

None

Total Investment :

None

Started Operation :

June 2010

Brand Name :

BINA BUMI SHANKARA

Technical Assistance :

None

Number of Employee :

12 persons

Marketing Area :

a. Local - 20%

b. Export - 80%

Main Customers:

Pharmaceutical Industries

Market Situation :

Very Competitive

Main Competitors :

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- a. PT. Enseval Putera Megatrading
- b. PT. Ekacitta Dian Persada
- c. PT. Megasetia Agung Kimia
- d. PT. Providen Mitratara
- e. PT. Roche Indonesia

Business Trend :  
Growing

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

Bankers :

- a. P.T. Bank of INDIA INDONESIA Tbk  
Samanhudi Branch  
Jl. H.Samanhudi No. 37  
Central Jakarta  
Indonesia
- b. P.T. Bank CENTRAL ASIA Tbk  
Bungur Branch  
Jl. Bungur Besar Raya No.32-32A  
Central Jakarta  
Indonesia

Auditor :  
Internal Auditor

Litigation :  
No litigation record in our database

## ***FINANCIAL FIGURE***

Annual Sales (estimated) :  
2015 – Rp. 28.0 billion  
2016 – Rp. 31.7 billion  
2017 – Rp. 36.0 billion

Net Profit (estimated) :  
2015 – Rp. 2.4 billion  
2016 – Rp. 2.8 billion  
2017 – Rp. 3.2 billion

Payment Manner :  
Average

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Financial Comments :  
Fairly

## **KEY EXECUTIVES**

Board of Management :  
Director - Mr. Mahesh Tarachand Mirchandani

Board of Commissioners :  
Commissioner - Mr. Kanta Sunil Mirchandani

Signatories :  
Director (Mr. Mahesh Tarachand Mirchandani) which must be approved by Board of Commissioner (Mr. Kanta Sunil Mirchandani)

## **CAPABILITIES**

Management Capability :  
Good

Business Morality :  
Good

## **OVERALL PERFORMANCE**

P.T. BINA BUMI SHANKARA MINERALS or P.T. BINA BUMI SHANKARA (P.T. BBS) was incorporated in Jakarta based on Notary Deed of H. Zaini Zein, SH., No. 2 dated May 19, 2010 with the authorized capital of Rp. 500,000,000.- of wich Rp. 150,000,000.- was issued and paid up. The founding shareholders of the company are Mr. Mahesh Tarachand Mirchandani (60%) and Mr. Terachand Bulchand Mirchandani 40%), both are Indonesian businessmen of Indian extraction. The Deed of establishment was approved by the Minister of Law and Human Rights through its Decision Letter No. AHU-29401.AH.01.01.Tahun 2010 dated June 09, 2010.

In October 2016 based on Notary Deed of Suprpto, SH., No. 06 dated October 05, 2016, concerning the change in composition of the Company's shareholders. Since then, the shareholders of the company are Mr. Mahesh Tarachand Mirchandani (60%) and Mr. Kanta Sunil Mirchandani (40%). 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.01.03-0086629 dated October 06, 2016. Since then, no changes have been effected in term of its shareholding composition and capital structure to date.

In accordance with article 3 (three) of the articles of association contained in the deed of establishment, the scope of activities of the Company is primarily in trading, import-export, distribution, development, agriculture, mining, transportation, industry and services. The company registered office located at Jl. Bungur Besar Raya No.

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32-H, Gunung Sahari, Central Jakarta and the company can open branch offices or representative offices at home and abroad.

We noticed that P.T. BBS has been operating since June 2010 to deal with trading, export-import and distribution of agricultural products. An administrative staff of P.T. BBS explained that the merchandising goods products including are long pepper, clove stem, cassia cinnamon, dried mace, betel nuts (cashew nuts), round cardomom, gum copa, rum rosin, etc. She also added the agricultural commodities products exported to Southeast Asia, Middle East, South Asia and Wester Europe with export percentage 71% - 80%. In addition, this company also sells this commodities to local markets through traditional market in Jakarta, Bogor, Bekasi, Tangerang and its surroundings in West Java. We observed that P.T. BBS is classified as a medium sized company of its kind in the country of which the operation has been growing in the last three years.

We have noticed that the demand for agricultural products had increased some 8% to 10% per annum in the last five years in line with the growth of restaurants, fastfood, instant noodle, snack and food manufacturing in the country. In the coming years, the growth rate of demand is estimated at about 6% to 7% per annum. The present market situation for agricultural products is very competitive for a large number of similar companies operating in the country. Business position of P.T. BBS is favorable for it has controlled a wide marketing network at home and abroad and their product has been widely known among consumers in the country.

Until this time P.T. BBS has not been registered with Indonesian Stock Exchange, so that they shall not oblige to announce their financial statement. Therefore, the company has no obligation to publish financial statement publicly. P.T. BBS'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. 28.0 billion increased to Rp. 31.7 billion in 2016 and rose again to Rp. 36.0 billion in 2017. The operation in 2017 yielded a net profit at least Rp. 3.2 billion and the company has a total net worth of Rp. 12.0 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. BBS 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 management of P.T. BBS is led by Mr. Mahesh Tarachand Mirchandani (54), a businessman with more than 20 years-experience in trading, export and distribution of agricultural products. In addition, they are also assisted by a number of expert staffs in the above business. The Company's management has wide relations with private businessmen within and outside the country. 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. BBS is appraised to be good for business transaction. However, in view of the economic condition in the country is still unstable and political situation in the country is warming, we recommend to treat prudently in extending any new loan to the company.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 74.10
UK Pound	1	INR 96.99
Euro	1	INR 85.11
IDR	1	INR 0.0049

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIS
<b>Report Prepared by :</b>	DNS

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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)