

MIRA INFORM REPORT

Report No. :	529366
Report Date :	14.09.2018

IDENTIFICATION DETAILS

Name :	CV. INDO JAYA NUSANTARA
Registered Office :	Ruko Panji Makmur Blok B31 Lantai 3, Jl. Panjang Jiwo No. 46-48 RT 007 Kelurahan Panjang Jiwo, Kecamatan Tenggilis Mejoyo, Kota Surabaya 60299, Jawa Timur
Country :	Indonesia
Date of Incorporation :	1970
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 :	Not available

RATING & COMMENTS

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

MIRA's Rating :	C
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Credit Rating	Explanation	Rating Comments
C	Medium High Risk	Business dealings permissible preferably on secured basis

Status :	Moderate
Payment Behaviour :	Slow
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 (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	CV. Indo Jaya Nusantara
Address	Ruko Panji Makmur Blok B31 Lantai 3, Jl. Panjang Jiwo No. 46-48 RT 007 Kelurahan Panjang Jiwo, Kecamatan Tenggilis Mejoyo Kota Surabaya 60299 Jawa Timur - Indonesia
Telephone	+62313286728
Fax	N.A.
Mobile Phone	N.A.
Email	agro_bl@yahoo.com
Web	N.A.

PROFILE

Address	Ruko Panji Makmur Blok B31 Lantai 3, Jl. Panjang Jiwo No. 46-48 RT 007 Kelurahan Panjang Jiwo, Kecamatan Tenggilis Mejoyo Kota Surabaya 60299 Jawa Timur - Indonesia
Office Building	a. Area - Commercial b. Status - Leased
Date Of Establishment	- 1970
Start Operation	1970
Legal Status	Commanditaire Vennootschap or CV
Legalization (historical)	N.A.
Government Permit (s)	<u>Kementerian Perdagangan</u> SIUP - 503 / 11355.A / 436.7.17 / 2017 Dated, 2017
Significant change	CV. Indo Jaya Nusantara (the Company) is a Commanditaire Vennootschap or CV Company, which was established in 1970's. The owner, who is also director, of the Company is Mr. Reginal Stuard. So far, however, we cannot obtain information regarding passive partner of the Company. Because it is Commanditaire Vennootschap or CV company, and we could not obtain the establishment act of the Company, so we cannot show you details about 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. Reginal Stuard (0 shares) - 0% - Passive Partner of CV. Indo Jaya Nusantara (0 shares) - 0%
Management Board	
Name	Mr. Reginal Stuard
Position	Director
Nationality	Indonesian
Supervisory Board	
Name	Passive Partner of CV. Indo Jaya Nusantara
Position	Passive Partner
Nationality	Indonesian
Management Assessment	The management is deemed to have sufficient experience and industry expertise to manage subject properly.
Authorized Signatories	Mr. Reginal Stuard of the Company which must be approved by shareholder 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	<i>Per 2017</i> 15	
	<i>Per 2018</i> 10	
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 Country Origin	- Fruits - China - Onions - China - Peanut - India	
Main Items Exported And Country Destination	N.A.	
Major Customers	- Local Distributor	
Major Suppliers	- Sidhartha Corporation Pvt. Ltd. of India	
Terms of Payment	Purchase Payment Domestic : Telegraphic Transfer (T.T) based on Agreement Overseas : N.A.	

Sale Term

Domestic : Telegraphic Transfer (T.T) with Credit Term up to 30 days
Overseas : N.A.

Activity Comment

CV. Indo Jaya Nusantara (the Company) is a non facilities based company that is engaged in wholesale of horticultural products since 1970's. The head office of the Company is located at Ruko Panji Makmur Blok B31 Lantai 3, Jl. Panjang Jiwo No. 46-48 RT 007, Kelurahan Panjang Jiwo, Kecamatan Tenggilis Mejoyo, Kota Surabaya, Jawa Timur, Indonesia. We believe that the location is leased from another parties.

The Company has a warehouse, which is located in Jl. Margomulyo Permai 6, Kelurahan Greges, Kecamatan Asemrowo, Kota Surabaya, Jawa Timur.

Based on our investigation, the Company is engaged in the wholesales of horticultural products, such as pears, onions, and peanuts.

The Company imports the products entirely 100% from various countries. For example, the Company imports pears and onions from China. Meanwhile peanut products are imported from India, such as from Sidhartha Corporation Pvt. Ltd. of India. The Company regularly imports the products at least once a month, with import volume of 2-3 tons.

Earlier, according to our source, the Company imported variety of fruits such as oranges, apples and other fruits from China. In present time, however, due to quota restrictions on importing some fruits such as oranges, the Company is no longer importing oranges from China but from Pakistan. Still, because the sales of Pakistani oranges are not so good, so the Company is currently not importing oranges products, but pears only.

The Company distributes the imported products to the local distributors in Surabaya and around East Java. From the distributors, the Company's products are distributed directly to the retail and traditional market, and others. Yet, our source refused

to tell the names of current customers of the Company.

Meanwhile, according to our source, the Company's operational performance throughout 2016 to 2017 continued to experience significant losses of around 40% to 50%. This is due to import restriction for some agricultural products, including fruits from China. So, the Company looked for import alternatives from other countries, yet with more expensive price of products. As a result, the sales of products also decreased, and in turn led to the declining import activity of the Company.

As for other products such as onions and peanuts, the Company only imports these products in accordance to the harvest season. Currently, however, the local sales of the products also decline, caused by the lessening purchasing power of the people and the tight competition in the market.

So far, nevertheless, up to the third quarter 2018, the Company is still operating quite well, though in a stagnant trend. In terms of payment, the Company is experiencing payment delay from some customers so enough to affect the operations. As result, cash flow of the Company is not smooth.

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 operational today.

Sources

Ms. Fifi (Import staff of the Company, contacted on September 13, 2018)

Warehouse Address

Jl. Margomulyo Permai 6
Kelurahan Greges, Kecamatan Asemrowo
Kota Surabaya 60183
Jawa Timur - Indonesia
Phone : -
Fax : -
Email : --

BANKING INFORMATION

Banker (s)

- PT. Bank Central Asia Tbk

Insurance

- Badan Penyelenggara Jaminan Sosial (BPJS)

BUSINESS PROSPECTS

Business Prospects

Although it is predicated as an agricultural country, but Indonesia still needs to import vegetables and fruits from abroad. Central Bureau of Statistics (BPS) noted that imports of various

vegetables and fruits Indonesia is still high. Throughout January-February 2017, the imports of vegetables by Indonesia totaled 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. Similar like 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, the United States, Egypt, and others.

Based on data from Central Bureau of Statistics (BPS), the highest import of fruits occurred in August 2017. Compared to the import in July 2017, import of fruits in August 2017 increased by 277.73% valued at USD 63.6 million. The increasing import is mainly caused by season factors. The fluctuating import of certain commodities reflects the fluctuating need and behavior of the market.

Actually, Indonesia has lots and varying types of fruits. Unfortunately, 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.

In another side, the considerable number of population of Indonesia, which is above 200 million people, is definitely indicating the very potential market of horticultural commodities.

Based on data shown above, and regarding the high demand for imported fruits and agriculture products in the country, we believe that the imported fruit business will still have a pretty bright prospect, especially because East Java economic growth is estimated to reach 5.0%-5.4% this year.

FINANCIAL STATEMENT

Sales Turn Over

- 2015 - IDR 20,145,000,000 (Estimated)
- 2016 - IDR 17,123,250,000 (Estimated)
- 2017 - IDR 11,928,600,000 (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 give a detailed picture of the financial condition of the Company.

CREDITWORTHINESS

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

Adequate
Adequate
Slow
Poor
Down

Based on information shown above, we learn that the Company is engaged as importer of horticultural products, such as pears, shallots, onions, and peanuts. The Company distributes the imported products to local distributors in Surabaya and around East Java.

As we learn, sales performance of the Company is decreasing, due to the increasing prices of some products in the market, and the decreasing import volume of the Company caused by government's policies. In addition, the decreasing performance is also caused by the declining public purchasing power and the intense competition against other importers of fruits. In addition, in terms of payment, the Company also experienced payment delays from some customers, so that quite affect the Company's operation.

Meanwhile, the government will tighten regulation toward the imported vegetables in order to empower the local farmers in increasing their products. If it can adapt with the situation, we believe the Company is still prospective in the future. Based on these aspects, then, we classify the Company's current credit risk to 'High Risk'.

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

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.32
UK Pound	1	INR 94.42
Euro	1	INR 84.08
IDR	1	INR 0.0049

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

INFORMATION DETAILS

Analysis Done by :	PRI
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)