

## MIRA INFORM REPORT

Report No. :	529382
Report Date :	14.09.2018

### IDENTIFICATION DETAILS

Name :	CV. KOTA MAKMUR
Registered Office :	Jl. Nyamplungan No. 35, Kelurahan Ampel, Kecamatan Semampir, Kota Surabaya 60151, Jawa Timur
Country :	Indonesia
Date of Incorporation :	1990
Legal Form :	Commanditaire Vennootschap or CV
Line of Business :	<ul style="list-style-type: none"> <li>• Wholesale trade, except of motor vehicles and motorcycles</li> <li>• Wholesale of agricultural raw materials and live animals</li> <li>• Wholesale of grain, unmanufactured tobacco, seeds and animal feeds</li> </ul>
No. of Employees :	10 [2018]

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> 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 :	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.

### ECGC Country Risk Classification List

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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. Kota Makmur
Address	Jl. Nyamplungan No. 35 Kelurahan Ampel, Kecamatan Semampir Kota Surabaya 60151 Jawa Timur - Indonesia
Telephone	+62313532230
Fax	+62313532231
Mobile Phone	N.A.
Email	<a href="mailto:kotamakmurcv@yahoo.com">kotamakmurcv@yahoo.com</a> <a href="mailto:koja1969@gmail.com">koja1969@gmail.com</a>
Web	<a href="http://www.agrikoja.com">www.agrikoja.com</a>

## **PROFILE**

Address	Jl. Nyamplungan No. 35 Kelurahan Ampel, Kecamatan Semampir Kota Surabaya 60151 Jawa Timur - Indonesia
Office Building	a. Area - Commercial b. Status - Leased
Date Of Establishment	- 1990
Start Operation	1990
Legal Status	Commanditaire Vennootschap or CV
Legalization (historical)	N.A.
Government Permit (s)	<u>Kementerian Perdagangan</u> TDP - 503/6463.B/436.7.17/2017 Dated, 24 March 2020  TDP - 8120009852747  TDP - 130155210277 Dated, 18 June 2003
Significant change	CV. Kota Makmur (the Company) was founded in 1990 in Surabaya - East Java with legal status of Commanditaire Vennootschap (CV). The Company was founded by Mr. Sanjaya as an active partner, but we did not know about the name of passive partner. Because it is Commanditaire Vennootschap or CV, up to the completion of this report, however, we are unable to obtain the establishment act of the Company, so we cannot show you details about the capitalization and ownership structure of the Company.
Capitalization	

- Authorized Capital	N.A.
- Issued Capital	N.A.
- Paid Up Capital	N.A.

## **SHAREHOLDERS & MANAGEMENT**

<b>Shareholders</b>	<b>Total No. of Shareholders: 2</b> <b>Shareholders as N.A.</b> <b>Total Shareholding private - N.A. shares</b>
<b>Name of Shareholders</b>	- Mr. Sanjaya (0 shares) - 0% - Passive Partner of CV. Kota Makmur (0 shares) - 0%
<b>Management Board</b>	
<b>Name</b>	Mr. Sanjaya
<b>Position</b>	Director
<b>Nationality</b>	Indonesian
<b>Supervisory Board</b>	
<b>Name</b>	Passive Partner of CV. Kota Makmur
<b>Position</b>	Passive Partner
<b>Nationality</b>	Indonesian
<b>Management Assessment</b>	The management is modest, but we believe the management is able to manage subject properly.
<b>Authorized Signatories</b>	Mr. Sanjaya as Director and Active Partner of the Company.
<b>Affiliate (s) / Associate (s)</b>	N.A.

## **KEY DATA ON OPERATIONS**

<b>Registered Activities</b>	<b>SIC Code 46</b>	<b>: Wholesale trade, except of motor vehicles and motorcycles</b>
<b>Employee</b>	<b>Per 2018</b>	<b>10</b>
<b>Bussiness Category</b>	<b>SIC Code 46.2</b>	<b>: Wholesale of agricultural raw materials and live animals</b>
<b>Line of Business</b>	<b>SIC Code 46.21</b>	<b>: Wholesale of grain, unmanufactured tobacco, seeds and animal feeds</b>
<b>Product &amp; Capacity</b>	<b>N.A.</b>	
<b>Status of Investment</b>	<b>Non-facilities based Company</b>	
<b>Sales Territory</b>	<b>Local</b>	<b>100%</b>
	<b>International</b>	<b>00%</b>

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<b>Main Items Imported And Country Origin</b>	- Beans - India - Grain - India
<b>Main Items Exported And Country Destination</b>	N.A.
<b>Major Customers</b>	- Traditional Market in East Java - Retailer in Jawa Timur
<b>Major Suppliers</b>	- Principal from India - Local Supplier(s)
<b>Terms of Payment</b>	<b>Purchase Payment</b> <b>Domestic</b> : Immediate payment and T.T in advance and credit term <b>Overseas</b> : Telegraphic Transfer (T.T) based on Agreement
<b>Activity Comment</b>	<b>Sale Term</b> <b>Domestic</b> : Cash payment and Telegraphic Transfer (T.T) <b>Overseas</b> : N.A. <b>CV. Kota Makmur (the Company) is a non-facilities based on company that is engaged in trading of beans and grains and has operated since 1990. Head office of the Company is located in a commercial area, precisely at, Jl. Nyamplungan No. 35, Kelurahan Ampel, Kecamatan Semampir, Kota Surabaya 60151, Jawa Timur, Indonesia. We believe this location is leased by the Company. Based on our investigation, the Company is engaged in the trading of agricultural products of beans and grains such as Spices (Clove, corriander seed, cubeb, mace, etc), nuts (Tamarind, green mung bean, sesane seed, raw cashew nut, etc), Cereals (Groundnut kernel, Sesame seed, Soy Bean), and pulses (mung bean, cow peas, raw cashew nut, etc). The Company obtained such products from India and also from the merchant retailers around Pasuruan - East Java. Then, the Company distributes the products to traditional markets and retailers in East Java. Based on our investigation, the Company's operational performance recorded a significant decrease in 2016. This decrease was allegedly due to declining product demand from customers. However, in 2017, the Company's operational performance gradually improved and stable. Then, until the third quarter 2018, the Company's operational performance was stagnant and has not shown a significant increase.</b>  <b>Our source added, within one month, the Company can distribute products more than 10 times and can achieve a</b>

Litigation	turnover of around IDR 500 million per month. In 2018, the Company is supported by about 10 employees. At the time of writing this report, this Company has not been involved in any criminal or civil cases. This statement is based on the search result for cases conducted at the State Court in the area, where the Company was established and operates today.
Sources	Mr. Sanjaya (Director of the Company, contacted on September 12, 2018)

## ***BANKING INFORMATION***

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

## ***BUSINESS PROSPECTS***

Business Prospects	<p>The economy of East Java in the second quarter 2018 grew 5.57%. This achievement increased compared to the same period last year of 5.21%. In terms of production, all business fields experienced positive growth, except for agriculture, forestry and fisheries.</p> <p>The highest growth of the food and beverage sector (mamin) was 8.56%, followed by government administration, mandatory defense and social security of 8.36%, then transportation and warehousing 8.23%, health services and social activities 7.88%.</p> <p>The economy structure of East Java is dominated by three business sectors such as the processing industry contributed 29.09%, wholesale and retail trade, car and motorcycle repair 18.47% and agriculture, forestry and fisheries by 12.37%.</p> <p>Data from the Central Bureau of Statistics of East Java also shows that all components of the Gross Regional Domestic Product (GRDP) are accelerated. The highest growth in government consumption expenditure was 6.65%, followed by household consumption 5.71%, PMTB 5.50%, consumption of Non-Profit Institutions that Serve Household Services (LNPR) 5.13% and exports 2.71%.</p> <p>Based on the information described above, we believe that increasing economic growth in East Java will have a positive impact on the Company's operational performance.</p>
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## **FINANCIAL STATEMENT**

Sales Turn Over	- 2015 - IDR 10,450,000,000 ( Estimated ) - 2016 - IDR 6,270,000,000 ( Estimated ) - 2017 - IDR 7,520,000,000 ( 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	Adequate
Business Morality	Adequate
Payment Manner	Slow but correct
Financial Condition	Satisfactory
Operating Trend	Fluctuated
Conclusive remarks	<p>Based on the information shown above, we learned that the Company is engaged in the trading of agricultural products such as beans and grains since 1990. The Company obtain such products from overseas suppliers from India and also from the merchant retailers around Pasuruan - East Java. Then, the Company distributes the products to traditional markets and retailers in East Java.</p> <p>As we learned, the Company's operational performance over the past three years (2015 - 2017) recorded a fluctuation trend. However, until the third quarter 2018, the Company's operational performance was still quite stable despite not showing a significant increase. So far, the Company did not experience significant payment problems.</p> <p>In terms of prospect, we believe that by increasing economic growth in East Java will have a positive impact on the Company's operational performance. So we believe that the Company's business is still prospective in the future.</p> <p>With the various considerations above, for now we classify the credit rating of the Company at Medium to High Risk.</p> <p>For security reason, we advise those wishing to make cooperation with and to grant loans to the Company to ask for adequate collateral from the owners and management.</p>

**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**

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