

MIRA INFORM REPORT

Report No. :	529424
Report Date :	15.09.2018

IDENTIFICATION DETAILS

Name :	UD. WATTA TEGUH MANDIRI
Registered Office :	Jalan Kunir No. 12-14, Krembangan Selatan, Krembangan, Surabaya, 60175, East Java
Country :	Indonesia
Date of Incorporation :	October, 1996
Legal Form :	Sole Proprietary Company
Line of Business :	Trading, Export Import of Agricultural Commodities Products
No. of Employees :	8 persons

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 :	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

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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

BASIC SEARCH

Name of Company :

UD. WATTA TEGUH MANDIRI

Address :

Head Office

Jalan Kunir No. 12-14
Krembangan Selatan, Krembangan
Surabaya, 60175
East Java
Indonesia
Phones - (62-31) 3570166, 3545362
Fax - (62-31) 3570172, 3570173
Building Area - 2 storey
Office Space - 120 sq. meters
Region - Commercial
Status - Rent

Date of Incorporation :

October 1996

Legal Form :

Sole Proprietary Company

Company Reg. No. :

Not Required

Company Status :

National Private Company

Permit by the Government Department :

The Department of Finance

Not Available

Related Company :

P.T. WATTARI TERANGABADI (International Freight Forwarding)

CAPITAL AND OWNERSHIP

Capital Structure :

Owned Capital : Rp. 150.0 million

Owners :

a. Mr. Teguh Wiyono

b. Mr. Surya Wiyono

BUSINESS ACTIVITIES

Lines of Business :

Trading, Export Import of Agricultural Commodities Products

Production Capacity :

None

Total Investment :

None

Started Operation :

October 1996

Brand Name :

Watta Teguh Mandiri

Technical Assistance :

None

Number of Employee :

8 persons

Marketing Area :

Local - 100%

Main Customer :

Traditional markets

Market Situation :

Very Competitive

Main Competitors :

- a. P.T. ADI SAMPOERNO
- b. P.T. ALAM INDORAMA
- c. P.T. DAKAI IMPEX
- d. P.T. SUPA SURYA NIAGA

Business Trend :

Growing

BANKER, AUDITOR & LITIGATION

Bankers :

- a. P.T. Bank CENTRAL ASIA Tbk
Gubeng – Surabaya Branch
Surabaya, East Java
Indonesia
- b. P.T. Bank CIMB NIAGA Tbk
Jalan Basuki Rachmat 8-12
Surabaya, East Java
Indonesia

Auditor :

Internal Auditor

Litigation :

No litigation record in our database

FINANCIAL FIGURE

Annual Sales (estimated) :

2015 – Rp. 4.6 billion
2016 – Rp. 5.0 billion
2017 – Rp. 6.1 billion
2018 – Rp. 3.5 billion (January – June)

Net Profit (estimated) :

2015 – Rp. 276 million
2016 – Rp. 300 million
2017 – Rp. 488 million
2018 – Rp. 280 million (January – June)

Payment Manner :

Slow but Correct

Financial Comments :

Fairly strong

KEY EXECUTIVES

Board of Management :

Director - Mr. Teguh Wiyono
Manager - Mr. Surya Wiyono

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Board of Commissioners :

None

Signatories :

Director (Mr. Teguh Wiyono) is only the authorized person to sign the loan on behalf of the company.

CAPABILITIES

Management Capability :

Fairly Good

Business Morality :

Fairly Good

OVERALL PERFORMANCE

UD. WATTA TEGUH MANDIRI (UD. WTM) was incorporated in Surabaya, East Java in October 1996 with the status of Sole Proprietary Company. Founder and owner of the company is Mr. Teguh Wiyono and his young brothers Mr. Surya Wiyono, both of are Indonesian business family of Chinese extraction. Being as Sole Proprietary Company, the amount of its authorized capital was not mentioned at the time of its establishment. In our estimate, the company has own capital of about Rp. 150 million and it will be rising in line with the progress of its business operation.

UD. WTM is a sole proprietary company started with operating since October 1996 dealing with trading, export import of agricultural commodities products. In its operation the company focuses its activity in specialized in trading export and import of agriculture commodities such as ground nut kernels, cocoa powder, cocoa cakes, cocoa butter, desiccated coconut powder etc; cloves, clove stem, cumin seeds, fennel seeds, fenugreek seeds, ginger, turmeric, mustard seeds, nutmegs, candlenut, long/white/black pepper, cassia vera, betel nut, dried red chili etc; green mug beans, black eye beans, brown beans, sunflower seeds, raw cashew nut etc. Currently the company import and sells of garlic, red onion, ground nuts, green bean, soybean and chili which imported from India, China, Vietnam and others. According information from Mr. Surya Wiyono, Manager of the company explained the whole products distributed and supplied through traditional markets in East Java and Eastern Indonesia. We observe UD. WTM is classified a small sized company of its kinds in the country with operation has been grow with slowly in the last three years.

We have noticed that the demand for agricultural products had increased some 10% to 11% per annum in the last five years in line with the growth of industrial manufacturing in the country and international market. 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.

Meanwhile, competition is quite heavy in the export import of agricultural products with many companies now doing business in this field in Indonesia.

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Until this time UD. WTM has not been registered with Indonesian Stock Exchange, so that they had not obliged to announce their financial statement. The management of the company is very reclusive towards outsiders and rejected to disclose its financial condition. We observed that total sales turnover of the company in 2015 amounted to Rp. 4.6 billion increased to Rp. 5.0 billion in 2016 rose to Rp. 6.1 billion in 2017. As from January to June 2018 the sales turnover has reached at least Rp. 3.5 billion with a net profit of Rp. 280 million. The sales turnover its projected to go on rising by at least 5% in 2019. So far, we did not heard that the company having been black listed by the Central Bank (Bank Indonesia). The company usually pays its debts punctually to suppliers.

The management of UD. WTM is led by Mr. Teguh Wiyono (53) a businessman with experience in trading, export import of agricultural commodities products. The company's management is handled by professional staff in the above business. They have 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. UD. WATTA TEGUH MANDIRI is sufficiently fairly good for business cooperation.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.81
UK Pound	1	INR 94.15
Euro	1	INR 83.97
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 :	SDA

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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)