

MIRA INFORM REPORT

Report No. :	517453
Report Date :	02.07.2018

Tel No.:	+88027701302
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IDENTIFICATION DETAILS

Name :	SHASHA DENIMS LTD.
Registered Office :	House# 23, Road# 129, Gulshan-1, Dhaka-1212
Country :	Bangladesh
Financials (as on) :	31.03.2018 (Consolidated)
Date of Incorporation :	28.10.1996
Com. Reg. No.:	C-31649
Legal Form :	Public Listed Company
Line of Business :	Manufacturer, Exporter and Importer of Denim Fabrics.
No. of Employees :	918

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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

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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

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Bangladesh	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

BANGLADESH - ECONOMIC OVERVIEW

Bangladesh's economy has grown roughly 6% per year since 2005 despite prolonged periods of political instability, poor infrastructure, endemic corruption, insufficient power supplies, and slow implementation of economic reforms. Although more than half of GDP is generated through the services sector, almost half of Bangladeshis are employed in the agriculture sector, with rice as the single-most-important product.

Garment exports, the backbone of Bangladesh's industrial sector, accounted for more than 80% of total exports and surpassed \$28 billion in FY 2016-17. The sector continues to grow despite the need for improvements in factory safety conditions and workers' rights to avert further high-profile accidents that killed more than 1,000 workers in 2012 and 2013. In FY 2016-17, steady export growth in the garment sector, combined with \$13 billion in remittances from overseas Bangladeshis, contributed to Bangladesh's rising foreign exchange reserves.

The recent influx of over 700,000 additional refugees from Burma will place pressure on the Bangladeshi government's budget and the country's rice supplies, which declined in 2017 in part because of record flooding. Recent improvements to energy infrastructure, including the start of liquefied natural gas imports in 2018, represent a major step forward in resolving a key growth bottleneck.

Source : CIA

COMPANY NAME

SHASHA DENIMS LTD

EXECUTIVE SUMMARY

IDENTIFICATION DETAILS

Correct company Name : **Shasha Denims Ltd.**
Head Office : House# 23, Road# 129, Gulshan-1, Dhaka-1212, Bangladesh
Tel No : 88-02-9850548, 7701302, 9854679, 9855263, 9856328, 9856327
Fax No : 88-02-9851698
E-mail : info@shashabd.com
Website : www.shashadenim.com
Date/ Year of : 28.10.1996
Incorporation
Incorporation No. : C-31649
Legal Form (General) : Public Listed Co Public (but not listed) Private Co State-owned Co
 Sole Proprietorships Partnership Not Registered
 others (please specify) _____
Legal form (Specific) : LTD CORP INC CO
 others (please specify) _____
Issuing Authority : Registrar of Joint Stock Companies & Firms City Corporation
 Municipal Administration Union Council
 Cantonment Board Chief Controller of Import & Export (CCIE)

OTHER REGISTRY & CERTIFICATION DETAILS

Trade License : 01-00514 Date of Registration : June 30, 2015
Issuing Authority : Dhaka North City Corporation,
Value Added Tax(VAT) No : 17141001227 Date of Registration : N/A
Issuing Authority : National Board of Revenue
Organization Name : Bangladesh Textile Mills Association
Membership No : 002-0056-0352

FINANCIALS- SUMMARY

Year	Turnover/ Sales	Assets	Income/ (Loss)
30 th June, 2017	BDT 4494927114 (July-Mar, 17)	BDT 10879396537	BDT 428053051 (July-Mar, 17)
31 st March'2018	BDT 5778912063 (July-Mar, 18)	BDT 12629540378	BDT 438024969 (July-Mar, 18)

FULLCHECK REPORT DETAILS

Information Parted By

Name : Mr. Aslam Ahmed Khan FCA
Designation : Company Secretary
Contract No : N/A

Locations Details

Operating Address : House# 23, Road# 129, Gulshan-1, Dhaka-1212, Bangladesh
Tel No : 88-02-9850548, 7701302, 9854679, 9855263, 9856328, 9856327
Fax No : 88-02-9851698
E-mail : info@shashabd.com
Website : www.shashadenim.com

Location : : Owned Rented Leased Area 2200 Sq. ft.

Type of Office : Commercial Office Bldg. Semi-commercial office Bldg.
:

Retail shop Industrial Park
Business Center Home Office
Residential Area

Factory:

Address : Plot# 184-193 & 277, DEPZ (Ext.), Ganak Bari, Savar, Bangladesh.
Tel No : 88-02-7789188, 7789302-05
Fax No : 88-02-7789307

Registered Office:

Address : House# 7, Road# 117, Gulshan, Dhaka-1212, Bangladesh
Tel No : 88- 02-9881862
Fax No : 88-02-8823842

Corporate Office:

Address : Mascot Plaza (10th Floor), Plot: 107/A, Sonargaon Janapath, Sector: 07, Uttara C/A, Dhaka- 1230, Bangladesh.
Tel No : Nil
Fax No : Nil

Employee:

No. of Employees In Office : 217 In Factory : 701
In Branch: : Nil **Total** : 918

Details:

OWNERSHIP/SHAREHOLDERS

Names of Shareholders	No. of Share	Country
Ms. Parveen Mahmud FCA	7714420	Bangladesh.
Mr. Shams Mahmud	12019340	Bangladesh.
Shasha Garments Ltd.	2370840	Bangladesh.
Mr. Aftabur Rahman Jafree	6210	Bangladesh.
Ms. Zareen Mahmud FCA	3024270	Bangladesh.
Mr. Anisul Islam Mahmud	27324000	Bangladesh.
Mr. Sayed Mayeenul Huq	6210	Bangladesh.
Mr. Mohammad Anamul Hasan	50000	Bangladesh.
Mr. Mohammad Jamal Abdun Naser	690000	Bangladesh.
Mr. Md. Ahasanul Haque	500000	Bangladesh.
Mr. Rafiqul Alam	120800	Bangladesh.
Mr. Syed Mohammad Hassan	90000	Bangladesh.
Mr. Mazharul Islam Bhuiyan	111100	Bangladesh.
Institutions	17771344	Bangladesh.
Foreign	4849463	Bangladesh.
General Public	42906890	Bangladesh.

DIRECTORS

1.

Name : Ms. Parveen Mahmud
Designation : Chairman
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

2.

Name : Mr. Shams Mahmud
Designation : Managing Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

3.

Name : Ms. Zareen Mahmud
Designation : Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

4.

Name : Mr. Aftabur Rahman Jafree
Designation : Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

5.

Name : Mr. Syed Mayeenul Huq
Designation : Independent Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

MANAGEMENT

Name : Mr. Shams Mahmud
Job Description : Managing Director
Nationality : Bangladeshi
Email address : N/A
Other details : N/A

Name : Mr. Mohammad Jamal Abdun Naser
Job Description : Director (Operation)
Nationality : Bangladeshi
Email address : N/A
Other details : N/A

Name : Mr. Md. Ahasanul Haque
Job Description : Director (Finance)
Nationality : Bangladeshi
Email address : N/A
Other details : N/A

Trading Terms:

Purchasing Terms:	L/C	√	Cash	Others		
	Credit :	30 days	60 days	√	90 days	days
Selling Terms :	L/C	√	Cash	Others		
	Credit :	30 days	60 days	√	90 days	days

DETAILED DATA

Trade Reference & Related Parties	: Overseas Clients	: Target Kappa Mascot H & M Wal-Mart
	Local Clients	: N/A
	Overseas Suppliers	: Adinath-India. Chemical Spain Hangzhou-China Oxford- Austrillia BASF -Singapore Avebe-Netherland Clariant-Singapore. Emsland -Germany MKS Debo-Turkey Sapphire Textile-Pakistan Quetta Textiles-Pakistan Lucky Spinning-Thailand Arabian Alkali-Saudi Arabia. Loyal And Trusty International- Hong Kong.
	Local Suppliers	: Purbani Rotor Salek Spinning Sinha Spinning Badsha Textiles Square Textiles Ltd.
Trade Markets	: Exports	: USA, Europe Pakistan
	Imports	: China, India, Hong Kong, Pakistan, Thailand, etc.
Brand Name	: N/A	
Certified	: N/A	
Auditors	: M/S Ahmed Zaker & Co. Chartered Accountants Saiham Sky View Tower (2 nd Floor), 45, Bijoyagar, Dhaka-1000, Bangladesh.	
Operation Status	: Active	

CAPITAL STRUCTURE

Authorized Capital	: BDT 2000 Million
Paid-up Capital	: BDT 1195548870
No. of Shares	: 119554887
Share Value	: BDT 10.00 Each
Main Assets	: BDT 12629540378

FINANCIAL STATEMENT- DETAILED

Consolidated Statement of Financial Position:

	Currency Denomination	: BDT : 1
	Financial Year Ending	: 31 st March'2018
Financial Highlights	31st March 2018	30th June 2017
Assets		
Non-Current Assets	5074532959	4708191058
Property, Plant & Equipment	3658256996	3737865630
Intangible Assets	3224983	3486468
Capital Work In Progress	1364630791	918418771
Investment In Associates	48420189	48420189
Current Assets	7555007419	6171205479
Inventories	2195858470	1816859869
Materials In Transit	407816501	72748419
Accounts Receivable	3435597027	2544304233
Interest Receivable	-	1622714
Deposit For Share	404608148	374248146
Advance, Deposit & Prepayments	725044872	607765836
Cash and Cash Equivalent	386082402	753656260
Total	12629540378	10879396537
Equity & Liabilities:		
Capital & Reserve	5647329085	5339373522
Share Capital	1195548870	1127876300
Share Premium Account	1250000000	1250000000
Retained Earnings	2314887093	2087604100
Share Money Deposit	13000000	-
Revaluation Reserve	873893122	873893122
Non-Controlling Interest	200793320	199569928
Non-Current Liabilities	786935678	957069353
Long Term Loan	248533245	451599095

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Financial Liability	470000000	436400000
Deferred Tax Liability	68402433	69070258
Current Liabilities	5994482295	4383383734
Accounts Payable	33770195	686526861
Liability For Expenses	112912067	89773777
Provision For Tax	291900912	232658415
IPO Fund Received	3436928	3436928
Short Term Loan	5552462193	3370987753
Total	12629540378	10879396537
NAV (Restated)	47.24	44.66

Consolidated statement of Profit/ Loss and other comprehensive Income :

Currency : BDT
Denomination : 1
Financial Year Ending : 31st March'2018

Financial Highlights	July-Mar, 18	July-Mar, 17
Revenue	5778912063	4494927114
Less: Cost of Goods Sold	4823387786	3637451101
Gross Profit	955524277	857476013
Less: Administrative Expenses	145257718	101836182
Less: Selling & Distribution Expenses	38741673	30555833
Operating Profit	771524887	725083999
Add: Financial Income	11180228	26121847
Less: Financial Expenses	286776273	264160579
Net Financial Expenses	275596045	238038732
Profit Before Non-Operating Income	495928842	487045267
Add: Non-Operation Income/(Loss)	9396282	10502354
Profit/(Loss) Before WPPF	505325124	497547621
Less: Central Fund (SGL-03%O)	188135	135886
Profit/(Loss) Before Tax	505136988	497411735
Less: Income Tax		
Current Tax	67779844	69457414
Deferred Tax	(667825)	(98730)
Net Profit/ (Loss) For The Year After Corporate Tax	438024969	428053051
Profit Attributable To:		
Owners of The Company	436801576	427011393
Non-Controlling Interest	1223393	1041658
Basic Earnings Per Share (EPS)-(2017-restated)	3.65	3.57

ASSOCIATES/SUBSIDIARIES/ RELATED PARTIES

Name of The Group : Shasha Group
Name of Mother Company : Nil

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Subsidiary : Shasha Textiles Limited
Shasha Garments Limited
Energis Power Corporation Ltd.
Sister Concerns : Shasha Telecom Ltd.
Shasha Apparels Ltd.
Shasha Spinnings Ltd.
Superior Footwear Ltd.

BANKING

Bank Name : Premier Bank Ltd.
Bank Address : Uttara Branch
Ground Floor, House# 39, Road# 7, Sector# 4, Uttara, Dhaka-1230,
Bangladesh
Tel: 88-02-8956430, 8953945

Bank Name : Bank Asia Ltd.
Bank Address : Corporate Branch
Noor Tower (1st Floor), 73, Sonargaon Road, (1/F Free School Street), Dhaka-1205,
Bangladesh

ADVERSE DATA MONITORING

Dishonored Checks : No Record Found
Debt : No Record Found
Litigation : Clear
Performance Defaults : No Record Found

Adverse Coverage/History **Local Adverse** **Media Filling** : No Record Found

SITE VISIT COMMENTARY

Our representative visited the subject company Head office which is situated at House# 23, Road# 129, Gulshan-1, Dhaka-1212, Bangladesh. It is situated at a Residential Area.

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GENERAL COMMENTS

SC has been in its line of business for about 22 years. As well as its financial condition, we recommend that Credit can proceed promptly in Fairly large amount

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.58
UK Pound	1	INR 89.93
Euro	1	INR 79.85
BDT	1	INR 0.82

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

INFORMATION DETAILS

Analysis Done by :	VAR
Report Prepared by :	NIT

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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)