

MIRA INFORM REPORT

Report No. :	527558
Report Date :	04.09.2018

IDENTIFICATION DETAILS

Name :	KAROTOA SPINNING MILLS LIMITED
Registered Office :	Tara Limited Headquarter, 311, Progoti Shoroni, Vatara, Baridhara, Dhaka-1212
Country :	Bangladesh
Financials (as on) :	30.06.2015 [Summarized]
Date of Incorporation :	14.09.1994
Com. Reg. No.:	C-26628
Legal Form :	Private Co
Line of Business :	Manufacturer, Distributor, Exporter and Importer of Mélange Yarn
No. of Employees :	700

RATING & COMMENTS

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

Garments, the backbone of Bangladesh's industrial sector, accounted for more than 80% of total exports in FY 2016-17. The industrial sector continues to grow, despite the need for improvements in factory safety conditions. Steady export growth in the garment sector, combined with \$13 billion in remittances from overseas Bangladeshis, contributed to Bangladesh's rising foreign exchange reserves in FY 2016-17.

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

IDENTIFICATION DETAILS

Correct company Name : **KAROTOA SPINNING MILLS LIMITED**
Head Office : Tara Limited Headquarter, 311, Progoti Shoroni, Vatara, Baridhara, Dhaka-1212, Bangladesh.
Tel No : 88-01711648820, 01775419601
Fax No : Nil
E-mail : karotoa@taraspinning.com, info@taraspinning.com
Website : www.taraspinning.com
Date/ Year of : 14.09.1994
Incorporation
Incorporation No. : C-26628
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

Value Added Tax(VAT) No : 18071040318 **Date of Registration** : N/A
Issuing Authority : National Board of Revenue
Organization Name : Bangladesh Textile Mills Association
Membership No : N/A

FINANCIALS- SUMMARY

Year	Turnover/ Sales	Assets	Income/ (Loss)
30 th June, 2014	BDT 1355 Million	BDT 491.50 Million	BDT 66.65 Million
30 th June, 2015	BDT 1491 Million	BDT 531.63 Million	BDT 82.00 Million

Note : SC's didn't update submit financials to local registry office.

FULLCHECK REPORT DETAILS

Information Parted By

Name : Mr. Ruhul Amin
Designation : Manager (Commercial)
Contract No : 88-01987834806

Locations Details

Operating Address : Tara Limited Headquarter, 311, Progoti Shoroni, Vatara, Baridhara,
Dhaka-1212, Bangladesh.
Tel No : 88-01711648820, 01775419601
Fax No : Nil
E-mail : karotoa@taraspinning.com, info@taraspinning.com
Website : www.taraspinning.com

Location : Owned Rented Leased Area 1400 Sq. ft.

Type of Office : Commercial Office Bldg. Semi-commercial office Bldg.
: Retail shop Industrial Park
Business Center Home Office
Residential Bldg.

Factory Address:

Address : Shafipur, Kaliakor, Gazipur, Bangladesh.
Tel No : Nil
Fax No : Nil

Branch Address:

Address : Nil
Tel No : Nil
Fax No : Nil

Employee:

No. of Employees In Office : 25 In Factory : 675
In Branch: : Nil **Total** : 700

OWNERSHIP/SHAREHOLDERS

Names of Shareholders	No. of Share	Country
Mr. Md. Abdul Baten	46800	Bangladesh.
Begum Hosneara	13200	Bangladesh.
Khadiza Begum Munmun	8000	Bangladesh.
Zamila Begum Tuntun	8000	Bangladesh.
Arifa Afrin	8000	Bangladesh.
Aysha Siddika Rimi	8000	Bangladesh.
Mr. Md. Abdul Ahad Akil	28000	Bangladesh.

DIRECTORS

Name : Begum Hosneara
Designation : Chairman
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Md. Abdul Baten
Designation : Managing Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Khadiza Begum Munmun
Designation : Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Zamila Begum Tuntun
Designation : Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Arifa Afrin
Designation : Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Md. Abdul Baten
Designation : Managing Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Md. Abdul Ahad Akil
Designation : Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

MANAGEMENT

Name : Mr. Md. Abdul Baten
Job Description : Managing Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Ruhul Amin
Job Description : Manager (Commercial)
Nationality : Bangladeshi.
Email address : N/A
Other details : 88-01987834806

Name : Mr. Md. Timur
Job Description : Manager (Marketing)
Nationality : Bangladeshi.
Email address : N/A
Other details : 88-01775419661

BUSINESS OPERATIONS

Nature of Activity : Manufacturer ✓ Trader Dealer Distributor ✓
Exporter ✓ Importer ✓ Services Others

Range of Products:

Products : Mélange Yarn
Production Capacity : 3850 MT per year
Last Year Production : Do

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 : FW
Kappa
Regatta
Local Clients : N/A
Overseas Suppliers : N/A
Local Suppliers : N/A

Trade Markets : Exports(Country) : Europe, Canada, USA
Imports(Country) : China, India, Pakistan, USA, Africa

Brand Name : N/A
Certified : N/A
Name of Auditors : N/A
Operation Status : Active

CAPITAL STRUCTURE

Authorized Capital : BDT 100 Million

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Paid-up Capital : BDT 12000000
No. of Shares : 120000
Share Value : BDT100.00Each
Main Assets : BDT 531.63 Million

FINANCIAL STATEMENT- DETAILED

SC's didn't update submit financials to local registry office.

ASSOCIARES/SUBSIDIARIES/ RELATED PARTIES

Name of The Group : Nil
Name of Mother Company : Nil
Subsidiary : Nil
Sister Concerns : Basic Impex
Karotoya Fibers Ltd.
Forotoya Apparels Ltd.
Tara Spinning Mills Ltd.
Foroz Knitting Mills Ltd.
Enayetpur Spinning Mill Ltd.
Mataleb Monowara Composite Ltd.

BANKING

Bank Name : One Bank Ltd.
Bank Address : Narayangonj Branch
Haque Plaza, Plot 05, B.B. Road, Chashara C.A.
Narayangonj, Bangladesh
Tel: 88-02-9752288, 9752300
Fax: 88-02-7635242

Bank Name : Shahjahal Islami Bank Ltd.

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Bank Address : Motijheel Branch
Karim Chamber, 99, Motijheel C/A, Dhaka – 1000, Bangladesh.
Tel: 88-02-9563156, 9562763, 95735
Fax: 88-02-9564029

ADVERSE DATA MONITORING

Dishonored Checks : No Record Found
Debt : No Record Found
Litigation : Clear
Performance Defaults : No Record Found
Adverse Coverage/ History : No Record Found
Local Adverse :
Media Filling :

SITE VISIT COMMENTARY

Our representative visited the subject company Head Office which is situated at Adept S.T. Complex (2nd floor), KA-7/1 7/2, Jagannathpur, Bashundhara Road, Dhaka-1229, Bangladesh. It is Situated at Residential Area.

GENERAL COMMENTS

SC is considered medium-sized in its line with fairly stable financial conditions.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.77
UK Pound	1	INR 91.35
Euro	1	INR 82.14
BDT	1	INR 0.85

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

INFORMATION DETAILS

Analysis Done by :	VIVR
Report Prepared by :	TPT

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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)