

## MIRA INFORM REPORT

<b>Report No. :</b>	530581
<b>Report Date :</b>	21.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	WATA CHEMICALS LIMITED
<b>Registered Office :</b>	House # 17/B (3 <sup>rd</sup> Floor), Monipuri Para, Sangshad Avenue, Dhaka-1215
<b>Country :</b>	Bangladesh
<b>Financials (as on) :</b>	31.03.2018
<b>Date of Incorporation :</b>	19.08.1981
<b>Com. Reg. No.:</b>	C-9293
<b>Legal Form :</b>	Public Listed Company
<b>Line of Business :</b>	Manufacturer, Distributor, Exporter and Importer of Sulphuric Acid, Aluminum Sulphate, Zink Sulphate, Magnesium Sulphate, Labsa
<b>No. of Employees :</b>	500

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	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.

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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

**COMPANY NAME**

**WATA CHEMICALS LIMITED**

**EXECUTIVE SUMMARY**

**IDENTIFICATION DETAILS**

**Correct company Name** : Wata Chemicals Limited  
**Head Office** : House # 17/B (3<sup>rd</sup> Floor), Monipuri Para, Sangshad Avenue,  
Dhaka-1215, Bangladesh

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**Tel No** : 88-02-58155206, 58152001  
**Fax No** : 88-02-58155091  
**E-mail** : watachemicals@gmail.com, watafactory@gmail.com  
**Website** : www.watachemicals.com  
**Date/ Year of Incorporation** : 19/08/1981  
**Incorporation No.** : C-9293  
**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

## **OTHER REGISTRY & CERTIFICATION DETAILS**

Organization Name : N/A  
 Membership No : N/A

## **FINANCIALS- SUMMARY**

Year	Turnover/ Sales	Assets	Income/ (Loss)
30 <sup>th</sup> July 2017	BDT 312488829 ( July'16-Mar'2017)	BDT 300890362	BDT 28421592 ( July'16-Mar'2017)
31 <sup>st</sup> March 2018	BDT 317981546 ( July'17-Mar'2018)	BDT 453888994	BDT 27176354 ( July'17-Mar'2018)

## **FULLCHECK REPORT DETAILS**

### **Information Parted By**

**Name** : Mr. Abu Taher Bhuiyan  
**Designation** : General Manager  
**Contract No** : N/A

### **Locations Details**

**Operating Address** : House # 17b, (3<sup>rd</sup> Floor) Monipuri Para, Sangshad, Avenue,  
 Dhaka-1215, Bangladesh  
**Tel No** : 88-02-58155206, 58152001  
**Fax No** : 88-02-58155091

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**E-mail** : watachemicals@gmail.com, watafactory@gmail.com  
**Website** : www.watachemicals.com

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

<b>Type of Office</b> :	Commercial Office Bldg.	<input type="checkbox"/>	Semi-commercial office Bldg.	<input type="checkbox"/>
:	Retail shop	<input type="checkbox"/>	Industrial Park	<input type="checkbox"/>
	Business Center	<input type="checkbox"/>	Home Office	<input type="checkbox"/>
	Residential Bldg.	<input checked="" type="checkbox"/>		

**Factory Address:**

**Address** : Murapara, Rupgonj, Narayangonj, Bangladesh  
**Tel No** : 88-01720096470  
**Fax No** : Nil

**Branch Address:**

**Address** : Nil  
**Tel No** : Nil  
**Fax No** : Nil

**Employee:**

<b>No. of Employees</b>	<b>In Office</b> : 50	<b>In Factory</b> : 450
	<b>In Branch</b> : Nil	<b>Total</b> : 500

**Details:**

## **OWNERSHIP/SHAREHOLDERS**

<b>Names of Shareholders</b>	<b>No. of Share</b>	<b>Country</b>
Mr. Md. Nazrul Islam	182938	Bangladesh
Mr. Md. Shafiqur Rahman	1700	Bangladesh
Dr. M.A Mannan	3050	Bangladesh
Mrs. Jobeda Nahar Jhorna	1500	Bangladesh
Mr. Abdur Rob Jomadder	1000	Bangladesh
Mr. Md. Ali Ahsan	1000	Bangladesh
Mrs. Amina Khatun	6362	Bangladesh
Mr. Md. Aminul Islam	3500	Bangladesh
Mr. A.H.M Abdullah	1150	Bangladesh
Shareholders Attached	202800	Bangladesh

## **DIRECTORS**

**Name** : Mr. Md. Mosaddake-ul-Alam  
**Designation** : Chairman  
**Nationality** : Bangladeshi.  
**Email address** : N/A  
**Other details** : N/A

**Name** : Mr. Md. Nazrul Islam  
**Designation** : Managing Director  
**Nationality** : Bangladeshi.  
**Email address** : N/A  
**Other details** : N/A

**Name** : Mr. A.H.M. Abdullah  
**Designation** : Director  
**Nationality** : Bangladeshi.  
**Email address** : N/A  
**Other details** : N/A

**Name** : Mr. Md. Mahmudul Hasan  
**Designation** : Director  
**Nationality** : Bangladeshi.  
**Email address** : N/A  
**Other details** : N/A

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Name : Mr. Subrata Pal  
Designation : Independent Director  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

6.

Name : Mr. A.M.M Zeaul Hoque  
Designation : Independent Director  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

## **MANAGEMENT**

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

Name : Mr. Md. Ali Ahsan  
Job Description : Chief Finance Officer  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

Name : Mr. Abu Taher Bhuiyan  
Job Description : General Manager  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

Name : Mr. Shamsul Haq  
Job Description : Company Secretary  
Nationality : Bangladeshi.  
Email address : N/A  
Other details : N/A

Name : Mr. Kapil Mukhopadhaya  
Job Description : Deputy General Manager  
Nationality : Bangladeshi.  
Email address : N/A

Other details : N/A

## **BUSINESS OPERATIONS**

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

### Range of Products:

Products : Sulphuric Acid, Aluminum Sulphate, Zink Sulphate, Magnesium Sulphate, Labsa.  
 Production Capacity : N/A  
 Product Detailed : N/A  
 Descriptions  
 Last Year Production : N/A  
 Import Products : N/A  
 Export Products : 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 : Overseas Clients : N/A  
 Reference & Local Clients : N/A  
 Related Overseas Suppliers : N/A  
 Parties Local Suppliers : N/A  
 Trade Markets : Exports : Europe  
 Imports : India, China  
 Brand Name : N/A  
 Certified : N/A  
 Auditors : N/A  
 Operation Status : Active

## **CAPITAL STRUCTURE**

Authorized Capital	:	BDT 150 Million
Paid-up Capital	:	BDT 405000000
No. of Shares	:	4050000
Share Value	:	BDT100.00Each
Main Assets	:	BDT 453.88 Million

## **FINANCIAL STATEMENT- DETAILED**

### Balance Sheet :

	Currency Denomination Financial Year	BDT : 1 :31 <sup>st</sup> Mar' 2018
Ending	July'17-Mar'2018	July'16-Mar'2017
<b>Financial Highlights</b>		
<b>Fixed Assets-Written Down value:</b>	<b>595,936,120</b>	<b>606,638,360</b>
Cost including revaluation	895,754,033	892,464,595
Less: Accumulated Depreciation	299,817,913	285,826,235
<b>Capital Work-In-Progress</b>	<b>530,173,618</b>	<b>381,940,844</b>
<b>Current Assets</b>	<b>453,888,994</b>	<b>300,890,362</b>
Inventories:	228,464,861	168,927,368
Material in Transit	38,896,686	37,971,776
Trade Debtors	48,291,672	15,305,212
Advance Income Tax	74,667,719	62,207,356
Loans, Advances & Deposits	59,244,436	15,340,468
Cash & cash Equivalents	4,323,620	1,138,182
<b>Current Liabilities:</b>	<b>731,197,716</b>	<b>432,106,528</b>
Bank Over Draft & Loan	481,012,181,	276,350,183
ICB Debenture Loan-Overdue Principal & Interest	-	18,700,000
Short term Loan (Unsecured): Managing Director	97,239	3,025,142
Trade Creditors	3,166,152	1,682,050
Liabilities for Expenses & Other	151,627,390	45,240,882
Workers profit participation Fund	15,864,034	14,155,685
<b>Provision for Taxation (Current Tax)</b>	<b>73,541,675</b>	<b>64,999,932</b>
Dividend Payable	5,889,046	7,952,654
<b>Net Working Capital</b>	<b>(277,308,721)</b>	<b>(131,216,167)</b>
<b>Net Asset (I+II+V)</b>	<b>848,801,017</b>	<b>857,363,037</b>

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<b>Financed By:</b>		
<b>Share Holders' Fund</b>	<b>693,018,581</b>	<b>674,529,477</b>
Share Capital	91,216,120	86,872,500
Share Premium	32,400,000	32,400,000
Revaluation Reserve	427,168,433	433,025,425
Reserve & Surplus	142,234,029	122,231,552
<b>Non-Current Liability:</b>	<b>155,782,435</b>	<b>182,833,561</b>
<b>Long Term Loan (Secured):</b>		
ICB Debenture Loan	144,500,000	170,000,000
Deferred Tax Liability	11,282,435	12,833,561
<b>Total (I+II)</b>	<b>848,801,017</b>	<b>857,363,037</b>

**Income Statement :**

	<b>Currency</b>	<b>:BDT</b>
		<b>: 1</b>
	<b>Denomination</b>	<b>: 31st Mar'2018</b>
	<b>Financial Year</b>	
	<b>Ending</b>	
<b>Financial Highlights</b>	<b>July'17-Mar'2018</b>	<b>July'16-Mar'2017</b>
Gross Sales:	317,981,546	312,488,829
VAT on Sales	30,477,138	16,352,334
<b>Net Sales</b>	<b>287,504,408</b>	<b>296,136,495</b>
Less: Cost of Goods Sold	198,596,159	207,373,814
<b>Gross Profit</b>	<b>88,908,249</b>	<b>88,762,681</b>
<b>Less: Administrative, Marketing &amp; Financial Expenses</b>	<b>55,939,429</b>	<b>51,698,347</b>
Director's Remuneration & eid Bonus	2,925,000	1,901,000
Annual General Meeting & Board Meeting Expenses	395,275	93,000
Director's Honorarium (For Board Meeting)	120,000	120,000
Audit Free	25,000	150,000
Administrative & Marketing Expenses	20,097,776	23,8063,464
Interest on Loan	30,669,204	23,651,726
Listing Fee	-	200,204
Depreciation	1,707,175	1,775,953
<b>Net Operating Profit (V-VI)</b>	<b>32,968,820</b>	<b>37,064,334</b>
Non-Operating income	2,906,500	37,544
<b>Net Profit before WPPF (VII+VIII)</b>	<b>35,875,320</b>	<b>37,101,878</b>
Less: Contribution to WPPF@5% on above	1,708,349	1,766,780
<b>Net Profit before Tax (IX+X)</b>	<b>34,166,972</b>	<b>35,335,122</b>
<b>Less: Provision for Tax</b>	<b>6,990,617</b>	<b>6,913,530</b>
Current Tax @ 25% on above	8,541,743	8,833,780

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**WATA CHEMICALS LIMITED - 530581**

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Deferred Tax	(1,551,126)	(1,920,250)
<b>Net Profit After Tax-Transferred To</b>		
<b>Changes In Equity (XI+XII)</b>	<b>27,176,354</b>	<b>28,421,592</b>
<b>Earnings per Share (calculated on 91,21,612 shares)</b>	<b>2.98</b>	<b>3.12</b>

**Cash Flow Statement:**

	<b>Currency Denomination Financial Ending</b>	<b>BDT : 1 Year : 31<sup>st</sup> March 2018</b>
<b>Financial Highlights</b>	<b>July'17-Mar'2018</b>	<b>July'16-Mar'2017</b>
<b>A) cash flows from operating activities</b>	<b>(10,533,781)</b>	<b>(37,701,468)</b>
Collection from sales and Trade Debtors	242,910,035	318,881,547
Payment for Raw Materials and Trade Creditors	<b>(215,049,229)</b>	<b>(193,784,269)</b>
Payment for Salaries & Wages / Expenses	3,455,331	(60,619,792)
Payment of Vat and Tax	(41,849,919)	(26,776,018)
<b>B) Cash flows from investing activities</b>		
<b>Acquisition of Fixed assets</b>	(152,522,212)	(58,847,130)
<b>C) Cash flows from financing activities</b>	<b>165,241,431</b>	<b>20,880,473</b>
Loan Received	204,984,095	34,885,669
Loan Repaid	(28,750,000)	(10,055,282)
Dividend paid	(10,992,664)	(3,949,914)
<b>Net cash Inflow/(Outflow) for the year(I+II+III)</b>	<b>3,185,438</b>	<b>(265,189)</b>
<b>Opening cash and cash-equivalents</b>	<b>1,138,182</b>	<b>1,289,730</b>
<b>Closing cash and cash-equivalents</b>	<b>4,323,620</b>	<b>1,0245,41</b>

**ASSOCIARES/SUBSIDIARIES/ RELATED PARTIES**

Name of The Group	: Nil
Name of Mother Company	: Nil
Subsidiary	: Nil
Sister Concerns	: Nil

**BANKING**

**Bank Name** : Agrani Bank Ltd

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**Bank Address** : Motijheel Branch  
Amin Court, 62/63, Motijheel C/A, Motijheel, Dhaka- 1000, Bangladesh  
Tel: 88-02-9572045

## **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 # 17b, (3<sup>rd</sup> Floor) Monipuri Para, Sangshad, Avenue, Dhaka-1215, Bangladesh. It is Residential Area.

## **GENERAL COMMENTS**

The subject company is engaged in Manufacturer, Importer & Distributor. It is reputed company in this line of business. We recommended that Credit can proceed normally

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.68
UK Pound	1	INR 95.59
Euro	1	INR 84.91
BDT	1	INR 0.86

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

**INFORMATION DETAILS**

Analysis Done by :	VIV
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)