

MIRA INFORM REPORT

Report No. :	531280
Report Date :	27.09.2018

IDENTIFICATION DETAILS

Name :	SONARGAON TEXTILES LIMITED
Registered Office :	Khansons Center (8 th & 9 th Floor), 37, Kawranbazar, Dhaka-1215
Country :	Bangladesh
Financials (as on) :	31.03.2018
Date of Incorporation :	21.12.1985
Com. Reg. No.:	C-15136
Legal Form :	Public Listed Co
Line of Business :	Manufacturer, Distributor, Exporter and Importer of Cotton Yarn, Fabrics.
No. of Employees :	1889

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

Comments : Sc's changed their Address of Senakalyan Bhaban (19th Floor), 195 Motijheel C/A, Dhaka, Bangladesh.

IDENTIFICATION DETAILS

Correct company Name : **SONARGAON TEXTILES LIMITED**
Head Office : Khansons Center (8th & 9th Floor), 37, Kawranbazar, Dhaka-1215, Bangladesh
Tel No : 88-02-55013500-1, 55013597
Fax No : 88-02-55013498
E-mail : info@khansonsgroup.com
Website : www.khansonsgroupbd.com
Date/ Year of Incorporation : 21.12.1985
Incorporation No. : C-15136
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)

FINANCIALS- SUMMARY

Year	Turnover/ Sales	Assets	Income/ (Loss)
30 th June'2017	BDT 159370 Million (1 st January~31 st March'2017)	BDT 1658745 Million	(BDT 6481 Million) (1 st January~31 st March'2017)
31 st March'2018	BDT 158067 Million (1 st January~31 st March'2018)	BDT 1709176 Million	(BDT 7243 Million) (1 st January~31 st March'2018)

FULLCHECK REPORT DETAILS

Information Parted By

Name : Mr. Monir Hossain
Designation : Company Secretary
Contract No : Nil

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Locations Details

Operating Address : Khansons Center (8th & 9th Floor), 37, Kawranbazar, Dhaka-1215, Bangladesh
Tel No : 88-02-55013500-1, 55013597
Fax No : 88-02-55013498
E-mail : info@khansongroup.com
Website : www.khansongroupbd.com

Location : Owned Rented Leased Area 1800 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 : Rupatoli, Barisal, Bangladesh
Tel No : 88- 0431-71296
Fax No : 88- 0431-71219

Employee:

No. of Employees In Office : 50 In Factory : 1839
In Branch: : Nil **Total** : 1889

OWNERSHIP/SHAREHOLDERS

Names of Shareholders	No. of Share	Country
Mr. A.K.M. Azizur Rahaman	5200851	Bangladesh.
Mr. Bazlur Rahman	2211859	Bangladesh.
Mrs. Rosy Rahman	3282468	Bangladesh.
Mr. Habibur Rahman	186763	Bangladesh.
Mrs. Rita Rahman	101385	Bangladesh.
Mr. Mujibur Rahman	186763	Bangladesh.
Mrs. Sarita Rahman	620315	Bangladesh.
General Public	14676696	Bangladesh.

DIRECTORS

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SONARGAON TEXTILES LIMITED - 531280

PAGE NO. : 6

Name : Mr. A K M Azizur Rahman
Designation : Chairman
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

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

Name : Mrs. Rosy Rahman
Designation : Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Md. Aminul Quader Khan
Designation : Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Shahinul bari Chowdhury
Designation : Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Mohammad A. Hafiz
Designation : Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

MANAGEMENT

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

Name : Mr. Anwar Hossain
Job Description : Executive Director (Commercial & Procurement)
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Salahuddin Chowdhury
Job Description : Director (Project)
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Arjun Chandra Paul
Job Description : Assistant General Manager (Marketing & Fund)
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Soumen Kundu
Job Description : Assistant General Manager (Production & Quality)
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Md. Mostafa
Job Description : Head of Finance & Accounts
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Md. Mostafa
Job Description : Chief Financial Officer
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 : Cotton Yarn, Fabrics.
Production Capacity : 5,935 MTs
Product Detailed Descriptions : N/A
Last Year Production : N/A
Import Products : N/A
Export Products : N/A
Spindles : 71,136
Rotor : 672

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 : Nil
Reference & Related Parties : Local Clients : Nil
Overseas Suppliers : Nil
Local Suppliers : Nil
Trade Markets : Exports(Country) : Europe
Imports(Country) : India, China

Brand Name : N/A
Certified : N/A
Name of Auditors : M/s. G. Kibria & Co.
Chartered Accountants
Sadaran Bima Sadan (5th Floor), 24-25, Dilkuska Commercial Area,
Dhaka-1000, Bangladesh.

Operation Status : Active

CAPITAL STRUCTURE

Authorized Capital	: BDT 500 Million
Paid-up Capital	: BDT 264671000
No. of Shares	: 26467100
Share Value	: BDT10.00Each
Main Assets	: BDT 1709176

Balance Sheet :

	Currency Denomination Financial Ending 31st March'2018	BDT :000 Year : 31st March'2018 30th June'2017
Financial Highlights		
Assets		
Non-Current Assets :	758,889	789,067
Property, Plant & Equipment	758,889	789,067
Current Assets:	950,287	869,678
Inventories	593,350	576,645
Trade & Other Receivables	323,522	263,705
Advance, Deposit & Prepayments	33,106	28,950
Cash and Cash equivalent	309	378
Total Assets	1,709,176	1,658,745
Equity And Liabilities :		
Shareholders' Equity	739,085	766,007
Share Capital	264,671	264,671
Capital Reserve	5,373	5,373
Share Premium	54,560	54,560
Revaluation Reserve	457,742	472,017
Retained Earnings	(43,261)	(30,614)
Non- Current Liabilities	578,450	316,088
Long Term Loan	507,502	245,283
Director's and Other Loans and Advances	17,320	17,320
Deferred Tax Liability	53,628	53,485
Current Liabilities and provisions	391,641	576,650
Short Term Loans	10,219	141,787
Current portion of Long Term Loan	282,359	335,106
Trade & Other Payables	89,029	92,754
Workers Profit Participation and Welfare Fund	-	200
Provision for Income Tax	10,034	6,802
Total Equity & Liabilities	1,709,176	1,658,745
Net Assets Value Per Share (NAVPS)	27.92	28.94

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Income Statement :

	Currency Denomination Financial Year Ending	BDT : 000 : 31 st March'2018
Financial Highlights	01Jan~31st March'2018	01Jan~31st March'2017
Turnover	158,067	159,370
Cost and Expenses:		
Cost of Goods Sold	130,916	135,465
Administrative Expenses	4,085	3,998
Selling & Distribution Expenses	1,076	947
Interest Expenses	20,738	16,962
Write and damage Raw Cotton	7,500	7,500
Non-Operating Income	-	-
Total Costs and Expenses	164,315	164,872
Net profit before Income Tax	(6,248)	(5,502)
Provision for WWF	-	-
Provision For Income Tax	(948)	(956)
Deferred Tax	(47)	(23)
Net Profit/ (Loss)	(7,243)	(6,481)
Earnings per share (EPS)	(0.27)	(0.24)

Cash Flow Statement:

	Currency Denomination Financial Year Ending	BDT : 000 : 31 st March 2018
Financial Highlights	01Jan~31st March'2018	01Jan~31st March'2017
A. Cash Flows from Operating Activities :		
Collection from Turnover & Others	98,250	7,747
Payment to Supplies and Employees	(93,735)	(6,939)
Cash Generated From Operation	4,515	808
Collection from Non-operation Income	-	-
Interest Paid	(2,749)	(380)
Income Tax paid	(1,358)	(956)
Net Cash Flows from Operating Activities :	408	(528)
B. Cash Flows From Investing Activities :		
Acquisition of property Plant & Equipment	-	-
Acquisition- Addition of Long Term Assets	-	-
Sale Proceeds of Long Term Assets	-	-
Net Cash Flows from Investing Activities	-	-
C. Cash Flows from Financing Activities :		
Long Term Loan received	471	-
Other Loans and Advances Received /(Paid)	-	-
Short Term Loan Paid	(947)	-
Net Cash flow from Financing Activities	(479)	-

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Increase/(decrease) in Cash and Cash Equivalent (A+B+C)	(68)	(528)
Cash and Cash Equivalent at Opening	377	1,262
Cash and Cash Equivalent at Closing	309	734
Net Operating Cash Flow Per Share (NOCFPS)	0.02	(0.02)

ASSOCIATES/SUBSIDIARIES/ RELATED PARTIES

Name of The Group	: Khansons Group
Name of Mother Company	: Nil
Subsidiary	: Nil
Sister Concerns	: Khansons Jutex Ltd. Olympic Cement Ltd. Khansons Textiles Ltd.

BANKING

Bank Name	: Rupali Bank Ltd. Mutual Trust Bank Ltd. Dutch Bangla Bank Ltd Islami Bank Bangladesh Ltd.
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SITE VISIT COMMENTARY

Our representative visited the subject company Head Office which is situated at Khansons Center (8th & 9th Floor), 37, Kawranbazar, Dhaka-1215, Bangladesh. It is Situated at Semi-Commercial Area.

GENERAL COMMENTS

The subject company is a well-known reputed company in Bangladesh. It is reputed company in this line of business.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.72
UK Pound	1	INR 95.77
Euro	1	INR 85.54
BDT	1	INR 0.86

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)