

SURVEILLANCE CREDIT RATING REPORT ABC KNIT DYEING & FINISHING LIMITED

Ref. no.: FR/2022/025887



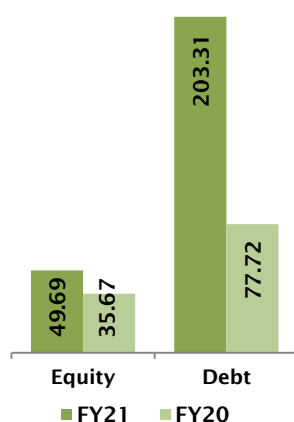
Report Contents:

| Particulars | Page |
|-----------------------|------|
| Rating Rationale | 1 |
| Corporate Profile | 2 |
| Allied Concern | 2 |
| Management Evaluation | 3 |
| Market Review | 3 |
| Business Analysis | 5 |
| Financial Analysis | 7 |
| Banking Relationship | 7 |
| Risk Factor Analysis | 8 |
| Rating Observation | 9 |

Key Snapshot:

| Tk. in million | | |
|-----------------------|--------|--------|
| Particulars | FY21 | FY20 |
| Revenue | 319.75 | 396.96 |
| EBIT | 21.71 | 19.52 |
| Net Profit | 14.03 | 12.94 |
| Total Assets | 253.00 | 113.39 |
| Total Equity | 49.69 | 35.67 |
| Debt | 203.31 | 77.72 |
| Net Profit Margin (%) | 4.4% | 3.3% |
| CCC (Days) | 118.41 | 16.12 |
| ICR (X) | 4.41 | 3.79 |

Capital Structure (BDT. in million)



Analysts:

Md. Rafiul Bary
rafi@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

| SME Rating | WCR SE/ME | Outlook | Date of Declaration | Date of Expiration |
|------------|-----------|---------|---------------------|--------------------|
| | WCRME 3 | Stable | 11 October 2022 | 10 October 2023 |

WCRME 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093.

| Tk. In Million | | | |
|--------------------------------------|--------------------|--------------------------|--------------------|
| Bank Name | Mode of Investment | Sanctioned/ Limit Amount | Outstanding Amount |
| Prime Bank Limited (29.09.202) | Term Loan | | 15.88 |
| | CC (Hypo) | 15.00 | 14.99 |
| | HPSM Salary | 20.04 | 12.12 |
| Premier Bank Limited (02.10.2022) | Murabaha PC | 60.00 | 34.83 |
| | Bai-Muajjal (Com) | 15.00 | - |
| | FDBC | 54.47 | 55.29 |
| | LDBP | 24.59 | 25.31 |
| | BTB L/C & ABP | 600.00 | 216.47 |
| | EDF | | - |

Financial Based on- Management prepared financial statements for the years ended on 30 June of 2015, 2016, 2017, 2018 and audited 2019, 2020 and 2021.

Methodology: SME Rating Methodology published on the WCRCL website at www.wasocreditrating.com.

RATING RATIONALE

WCRCL has reaffirmed 'WCRME 3' rating (pronounced as WASO Credit Rating Medium Enterprise Three) to ABC Knit Dyeing & Finishing Mills Limited (hereinafter referred to as 'AKDFML' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above rating has been assigned based on the fundamentals of the enterprise which includes; experienced and proactive management, high interest Coverage position, good infrastructural arrangement, group support. However, the above factors are constrained to some extent by poor operating profit margin, low disclosure in financial statements, very highly levered capital structure and high competition in the industry.

The SME rating implies that the entity is adjudged above average level of credit worthiness in relation to other MEs.

WCRCL also viewed the enterprise with "Stable" outlook and believes that AKDFML will be able to maintain its good fundamentals in the foreseeable future.