

SURVEILLANCE CREDIT RATING REPORT REEDISHA FOOD AND BEVERAGE LIMITED



Ref. no.: FR/2023/030046

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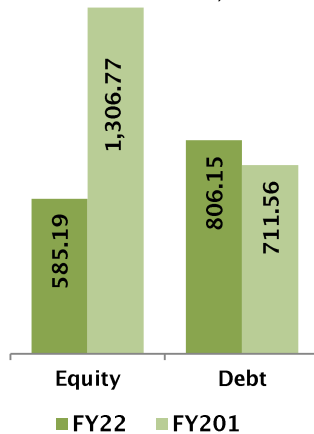
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Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	2784.45	2,435.33
COGS	2361.77	2,004.43
Net Profit Margin (%)	0.46	1.48
ROAE (%)	0.94	6.49
ROAA (%)	2.19	2.80
Quick Ratio	0.36	0.38
Total Debt	806.15	711.56
ICR (X)	2.87	4.43
Debt to Equity (X)	1.38	1.12

Capital Structure
BDT. in million)



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A1	ST-3	Stable	12 March 2023	15 April 2024

BDT. In Million

Bank Name	Mode of Investment	Sanctioned/ Limit Amount	Outstanding as on 28.02.2023	Bank Loan Rating
Prime Bank Limited	Hire Purchase	30.00	17.75	blr A1
	Term Loan (Revolving)	150.00	0.00	
	L/C (Sight, DP/Upas)	350.00	82.25	
	ABP	(350.00)	149.90	blr ST-3
	Term Loan	14.00	9.25	
	Specific LC	272.00	0.00	
	Acceptance	(272.00)	234.33	
	BG	(30.00)	55.64	
	LTR (Inner of L/C)	(100.00)	0.00	
	OD	150.00	83.49	
	Time Loan	300.00	253.13	

Financial Based on—Audited financial statements up to 30 June 2022, 2021.

Methodology: Corporate rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has reaffirmed 'A1' (pronounced as Single A One) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to **Reedisha Food and Beverage Limited** (hereinafter referred to as 'RFBL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also assigned 'blr A1' (pronounced as Bank Loan Rating Single A One) rating to the long term loan outstanding and "blr ST-3" (pronounced as Bank Loan Rating Short Term Three) rating to the aggregated short term limit.

The above ratings have been assigned based on the fundamentals of the company which include experienced management, satisfactory health and safety measures, financial flexibility arising from Group Reedisha, long standing relationship with clients, mitigate demand risk, increasing business trend. However, the above factors are constrained by leverage ratio of the company was high position, low liquidity position evident from quick ratio of 0.38 times, moderate quality of financial statements, low utilization of assets i.e. low ROAA, and poor interest coverage position.

The long term rating implies that the company is to upper medium grade and subject to low credit risk. The short term rating implies that the company has acceptable ability to repay short term debt obligations. It is expected to rely on external sources of committed financing. Based on its evaluation of near term covenant compliance, WCRCL believes that the issuer may require covenant relief in order to maintain orderly access to funding lines.

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