

INITIAL CREDIT RATING REPORT DEEN MOHAMMAD CHEMICAL INDUSTRIES LIMITED

Ref. no.: FR/2023/032068



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Project Rating	SME Rating	Date of Declaration	Date of Expiration
	BBB- (Indicative)	04 July 2023	03 July 2024

* This assigned rating given up to debt amount of BDT. 185.70 million.

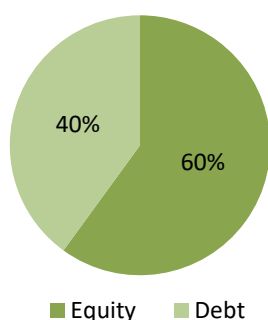
Methodology: Corporate rating methodology published on the WCRCL website at www.wasocreditrating.com

Project Cost:

BDT. In Million

Particulars	Value
Land	29.00
Land development	15.00
Building & civil construction	110.00
Foreign & Local Machinery	133.50
Duty, Clearing & Insurance	7.00
Internal Freight	3.00
Erection & Installation	7.00
Furniture & Fixture	1.00
Preliminary Expense	4.00
Total Cost of Project	309.50

Means of Finance



RATING RATIONALE

WCRCL has assigned “BBB- (Indicative)” (pronounced Triple B Minus Indicative) in the long term to Deen Mohammad Chemical Industries Limited (hereinafter referred to as “DMCIL” or “The Project”) based on both relevant qualitative and quantitative information up to date of rating declaration. The rating reflects that DMCIL is subject to below average credit risk. This is considered to be below average grade and as such may possess certain speculative characteristics.

Deen Mohammad Chemical Industries Limited, experienced and knowledgeable sponsors, high local demand of the products, location advantage and business set up on their own land. However, the ratings are constrained by relatively, risk associated with project implementation, moderate levered capital structure, DSCR is marginal to moderate subject to adverse situation, business network and market penetration may hinder achievement of 60% capacity utilization of production in the first year of the operation and industry nature imposes high competitiveness, so fluctuation in sales or raw material price may impact debt servicing capacity. Considering all the favorable measures and susceptibility of negative outcome this project has been assigned investment grade for next period. Total project cost is estimated at Total project cost is estimated at BDT. 309.50 million of which BDT. 185.70 million will be financed by bank borrowing and rest of the amount BDT. 123.80 Million will be financed from equity. The rating is assigned for debt amount of BDT. 185.70 million.

Analysts:

Mst. Irin Akter
irin@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

This rating may be revised in case of any extraordinary changes in line with the sponsor’s equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy. However, the ratings are constrained by relatively below average, and risk associated with project implementation.