

4th SURVEILLANCE CREDIT RATING REPORT RIM DYEING LIMITED

Ref. no.: FR/2023/031562

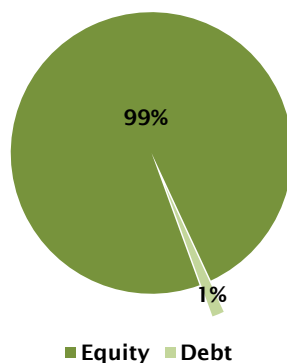


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Indicators	FY22
Revenue	72.20
EBIT	0.84
Net Profit	-0.20
Total Assets	158.60
Total Equity	156.42
Debt	2.18
Net Profit Margin (%)	-0.3%
CCC (Days)	381.21
ICR (X)	2.49

Capital Structure
(BDT. in million)



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	12 June 2023	26 June 2024

Tk. in Million

Bank Name	Mode of Investment	Sanctioned/ Limit Amount	Outstanding Amount	Bank Loan Rating
NCC Bank Limited (31.05.2023)	LC/PAD/ABP	30.00	-	blr ST-3
	LDBP	40.00	1.88	
	BG	8.48	8.47	
Total		78.48	10.35	

RATING RATIONALE

WCRCL has reaffirmed “BBB2 (pronounced as Triple B Two) in the long term to **Rim Dyeing Limited** (hereinafter referred as “RDL” or “The Company”) and ‘ST-3’ (pronounced as Short Term Three) rating for Short Term based on its financial and both relevant qualitative and quantitative information up to date of rating declaration. WCRCL also assigned “blr ST-3” (pronounced as bank loan rating Short Term Three) rating for aggregated Short Term Loan Limit.

Rim Dyeing Limited, rated in investment grade is subject to medium credit risk due to experienced and proactive management, strong buyer and supplier base, high interest Coverage position, low leverage position, good infrastructural arrangement, group support. Earlier mentioned variables are considered positive factors while assigning the rating, because market outlook of dying and printing in RMG industry now favorable in Bangladesh as for cheap wage labor. However, the ratings are constrained by lack of sufficient disclosure in financial statements, poor profitability position, high competition in the industry, stressed liquidity position with high cash conversion cycle.

The long term rating implies that the company is subject to medium credit risk and considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that currently the entity has an acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

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