

3rd SURVEILLANCE CREDIT RATING REPORT CHROMA TEX LIMITED

Ref. no.: FR/2023/033158

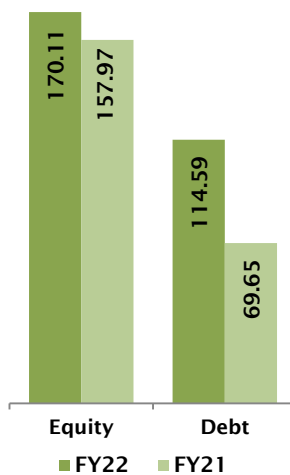


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Indicators	FY22	FY21
Revenue	408.99	467.09
EBIT	25.66	28.13
Net Profit	21.67	26.90
Total Assets	284.71	227.62
Total Equity	170.11	157.97
Debt	114.59	69.65
Net Profit Margin (%)	5.3%	5.8%
CCC (Days)	-29	-10
ICR (X)	640.55	22.78

**Capital Structure
(BDT. in million)**



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB	ST 3	Stable	22 August 2023	28 August 2024

Tk. in Million

Bank Name	Mode of Investment	Sanctioned/ Limit Amount	Outstanding Amount	Bank Loan Rating
NCC Bank Limited (31.07.2023)	SOD (G) Rev	10.00	0.05	blr ST 3
	L/C-Foreign		11.88	
	L/G	30.00	2.25	
	L/C Sight			
	BG- Local	25.00	-	
	Non Funding		81.96	

RATING RATIONALE

WCRCL has reaffirmed “BBB (pronounced as Triple B) in the long term to **Chroma Tex Ltd.** (hereinafter referred as “CTL” 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.

Chroma Tex Ltd. rated in investment grade is subject to medium credit risk due to experienced and proactive management, good profitability position, strong buyer and supplier base, moderate interest Coverage 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, high competition in the industry, stressed liquidity position with low current and quick ratio and high leverage position in the capital structure.

The long term rating implies that the entity is subject average credit quality. The short term rating implies that average ability to meet short term financial commitments.

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