

9<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT  
RING SHINE TEXTILES LIMITED

Ref. no.: CRA/556/2023



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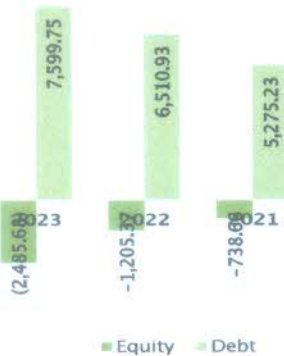
Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB+	ST 4	Stable	28 December 2023	29 December 2024

Bank Name	Investment Mode	Sanctioned/ Limit Amount	Outstanding Amount	Tk. in Million Bank Loan Rating
One Bank Limited.30.11.2023	Term Loan	130.31	125.96	blr BBB+
Eastern Bank Limited 30.11.2023	Term Loan	303.60	340.40	
The Premier Limited (30.11.2023)	Term Loan	1040.04	1036.13	blr ST 4
	LC & Import Bills	840.00	10084.78	
	OD	3.50	3.06	
OIBP (Bill Purchase)	10.00	3.09		
LC & Import bills			69.00	
Dhaka Bank Limited (30.11.2023)	Forced Loan	170.00	104.14	
Woori Bank (30.11.2023)	Forced Loan		22.05	
	OD	443.90	461.15	
Woori Bank (30.11.2023)	OIBP	(170.00)	0.00	
	LC	550.00	550.00	
	Term loan	362.53	377.84	

Key Snapshot:

Particulars	2023	2022
Revenue	2779.97	2859.19
EBIT	-424.80	-238.
Net Loss	-1264.8	-772.62
Total Assets	5114.06	5260.56
Total Equity	-2485.6	-1250.3
Debt	7599.75	6510.93
Gross Profit Margin (%)	-11.72	-5.86
Net Profit Margin (%)	-45.50	-27.20
Cash Conversion Cycle (Days)	46	72
Debt to Equity Ratio (X)	-3.06	-5.21
Interest Coverage Ratio (X)	-0.52	-0.46

Capital Structure (Tk. in Million)



Analysts:

Monira Islam  
monira@wasocreditrating.com  
Rafiq Bary  
rafi@wasocreditrating.com

\*blr - Bank Loan Rating

Financial Based on- Audited Financial statements up to 30<sup>th</sup> June 2023, 2022, 2021.

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

RATING RATIONALE

WCRCL has reaffirmed and assigned 'BBB+' rating (pronounced as Triple B Plus) for the long term and 'ST 4' rating (pronounced as Short Term Four) for the short term to Ring Shine Textiles Limited (hereinafter referred to as 'RSTL' 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 reaffirmed 'blr BBB+' (pronounced as bank loan rating Triple B Plus) rating to the long term loan outstanding of Tk. 466.36 million and 'blr ST 4' (pronounced as bank loan rating Short Term Four) rating to aggregate short term loan limit of Tk. 2379.93 million. The above ratings have been assigned based on experienced promoter and management, established market position and stable customer profile which reflects healthy turnover, satisfactory health and safety measures, 100% backward linkage facility, good infrastructural arrangement, and positive business trends. However, the above factors are constrained to some extent by overall poor profitability ratios, tight liquidity position with long cash conversion cycle, negative equity in capital structure, net loss in operation, poor banking repayment behavior, and negative debt to equity ratio.

The long term rating implies that the entity has moderate credit quality. The short term rating implies that the entity has below average ability to meet short term financial commitments.

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

MD. AL AMIN JEWEL  
Assistant Vice President  
Head of Credit Rating Division  
Chief Rating Officer  
WASO Credit Rating Company (BD) Ltd.