

SURVEILLANCE CREDIT RATING REPORT
CITADEL APPARELS LIMITED
 Ref. no.: FR/2022/025781



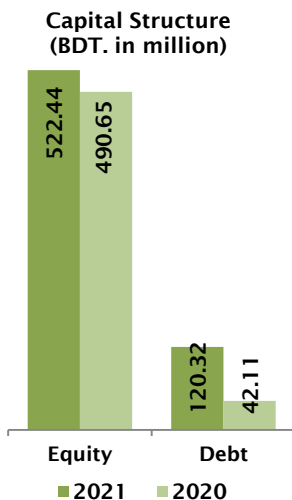
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Key Snapshot:

Tk. in million

Particulars	2021	2020
Revenue	936.33	823.49
EBIT	43.29	30.75
Net Profit	31.79	24.79
Total Assets	642.75	532.75
Total Equity	522.44	490.65
Debt	120.32	42.11
Net Profit Margin (%)	3.4%	3.0%
CCC (Days)	45	32
ICR (X)	6.36	14.52



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB3	ST-4	Stable	19 September 2022	18 September 2023

Tk. in Million

Name of Bank	Mode of Investment	Limit or Sanctioned Amount	Outstanding Amount as on 28.08.2022	Bank Loan Rating
Agrani Bank Limited	BBLC	300.00	110.04	blr ST-4
	IFBC		20.16	
	EDF Loan		480.35	
	PAD		39.00	
	Packing Credit		71.00	
	COVID-19 Loan		4.00	
	FDBP		50.80	

**blr-Bank Loan Rating*

Financial Based Audited financial statements up to 2021.

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

RATING RATIONALE

WCRCL has reaffirmed 'BBB3' rating (pronounced as Triple B Three) for the long term and 'ST-4' rating (pronounced as Short Term Four) for the short term to Citadel Apparels Limited (hereinafter referred to as 'CAL' 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 ST-4' rating to short term loan limit of Tk. 300.00 million. The above ratings have been assigned based on experienced promoter in garments industry, financial flexibility arising from onus group, satisfactory health and safety measures, experienced management, long standing relationship with clients mitigates demand risk, overall profitability ratios were in increasing trend and regular loan repayment history. However, the above factors are constrained to some extent by no compliance audit by any independent body, poor collateral security arrangement and poor disclosure of financial statements.

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 the company is regarded as having significant speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

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