

SURVEILLANCE CREDIT RATING REPORT SHAKIL GARMENTS

Ref. no.: FR/2022/025860



Report Contents:

Particulars	Page
Rating Rationale	1
Owners Profile	2
Business Management	2
Market Review	2
Business Analysis and Network	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	19 September 2022	16 September 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD (BIC) 661/14B (P)/2014/2093.

Tk. in million

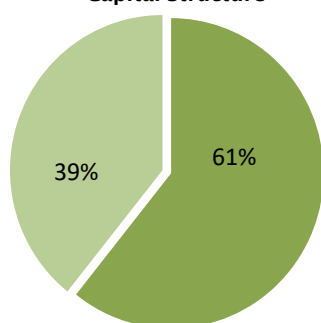
Bank Name	Mode of Investment	Limit Amount	Outstanding Amount	Outstanding Date
Uttara Bank Limited	CC(Hypo)	1.00	0.90	15.09.2022

Key Snapshot:

Tk. In million

Particulars	2021	2020
Revenue	10.00	11.58
EBIT	1.00	1.02
Net Profit	0.99	0.92
Total Assets	4.07	4.77
Total Equity	2.86	3.52
Total Liabilities	1.21	1.25
Net Profit Margin (%)	9.87	7.97
Current Ratio (X)	2.93	3.43
Debt to Equity (X)	0.42	0.35

Capital Structure



■ Equity ■ Debt

Analysts:

Monira Islam
monira@wasocreditrating.com

Al Amin Jewel
jewel@wasocreditrating.com

Financial Based on- Unaudited financial statements on 31 December 2021, 2020, and 2019.

Methodology: SME Rating Methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has reaffirmed **WCRSE 3** (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Shakil Garments** (hereinafter referred to as 'SG' or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the enterprise which positioning of selling point at prime location in Dhaka, good banking conduct, healthy debt coverage position, and owned showroom and warehouse facility. However, the above factors are constrained to some extent by manual accounting system, tight working capital requirement, involvement in highly competitive market, poor disclosure in the financial statements which creates problem to find out the true attribute of the enterprise, and small scale of operation.

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other SE's / ME's.

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