

INITIAL CREDIT RATING REPORT BRIDGENET APPARELS LIMITED



Ref. no.: FR/2023/31035

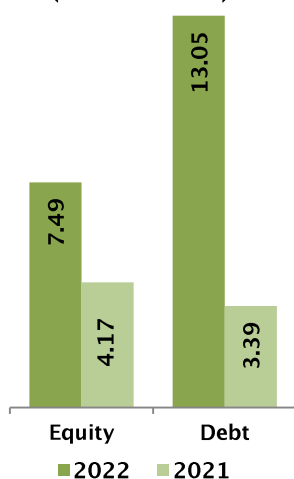
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Key Snapshot:

BDT. in million		
Particulars	FY22	FY21
Revenue	58.86	19.32
EBIT	4.38	0.33
Net Profit	3.81	0.17
Total Assets	20.54	7.55
Total Equity	7.49	4.17
Total debt	13.05	3.39
Net Profit Margin (%)	6.5%	0.9%
CCC (Days)	45.26	52.14
ICR (X)	8.23	2.02

Capital Structure
(BDT. in million)



Analysts:

Md. Akter Hossain
akter@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	07 May 2023	06 May 2024

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Financial Based on-audited financial statements up to 30th June 2022.

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Bridgenet Apparels Limited (hereinafter referred as "BAL" or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the company which includes Experienced management team, satisfactory health and safety measures, established market position and stable customer profile which reflects healthy turnover and margins, experienced and skilled management, strong interest coverage position and maintain Insurance coverage

However, the above rating has been moderated to some extent due to some factors like average disclosure in the financial statement, manual accounting process, highly levered capital structure, tight Liquidity position with long cash conversion cycle, volatile market price of the raw materials and adverse shock in RMG industry may affect revenue growth

The SME rating implies that the company is adjudged to average level of credit worthiness in relation to other small enterprises.

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