

# 10<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT SEPAL GARMENTS LIMITED



Ref. no.: FR/2023/029241

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## Key Snapshot:

Tk. in million		
Particulars	2022	2021
Revenue	463.47	583.42
EBIT	33.06	45.28
Net Profit	4.97	8.01
Total Assets	1308.16	1288.92
Total Equity	-158.03	-168.67
Total Debt	1466.20	1457.59
Net Profit Margin (%)	1.07	1.37
DSCR (X)	1.60	1.57
Interest Coverage Ratio (X)	1.60	1.57

Dhaka Bank Limited  
(31.12.2022)

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A3	ST-3	Stable	16 January 2023	15 January 2024

Tk. in million				
Banks Name	Mode of Investment	Sanction/ Limit Amount	Outstanding Amount	Bank Loan Rating
Dhaka Bank Limited (31.12.2022)	Term loan (Stimulus)	24.05	20.19	blr A3
	Term Loan (Stimulus)	309.00	288.54	
	Term Loan (Stimulus)	112.56	105.48	
	Lease Finance	302.09	282.09	
	Term Loan-1	246.61	231.13	blr ST-3
	Rev. BBLC	50.00	34.28	
	ABP	50.00	14.18	
	EDF	50.00	36.17	
	Rev. LC	5.00	1.15	
	ABP	15.00	10.24	
	OD	37.30	11.89	
	BG	24.05	20.19	
	Time Loan	309.00	288.54	
	STL-one off	112.56	105.48	

*Financial Based on—Unaudited statements up to 30 June 2022, 2021, and 2020.*

*Methodology: Corporate rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)*

## RATING RATIONALE

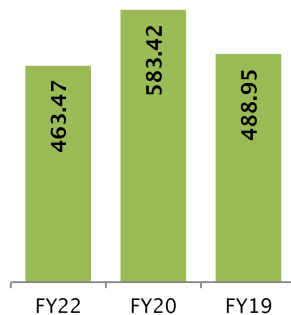
WCRCL has reaffirmed 'A3' (pronounced Single A Three) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to '**Sepal Garments Limited**' (hereinafter referred to as SGL or The Company) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also reaffirmed 'blr ST-3' (pronounced as Bank Loan Rating Short Term Three) rating to aggregate Short Term loan Limit and 'blr A3' (pronounced as Bank Loan Rating Single A Three) to Long Term loan outstanding.

The above ratings have been assigned based on the fundamentals of the company which includes experienced and skilled management, good infrastructural arrangement, equipped with sufficient power backup, have fire insurance, good supportive facilities to the workers and have strong group support. However, the above factors are constrained by higher operating and financial expenses, highly levered concern, and negative equity in capital structure and low disclosure of the financial statement.

The long term rating implies that the entity rated in this category is an upper medium grade and subject to low credit risk. The short term rating implies that the entity has acceptable ability to repay short term debt obligations. It is expected to rely on external sources of committed financing. Based on its evaluation of near term covenant compliance, WCRCL believes that the issuer may require covenant relief in order to maintain orderly access to funding lines.

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

Yearly Turnover  
(Tk. In Million)



## Analysts:

**Monira Islam**  
monira@wasocreditrating.com

**Md. Al Amin Jewel**  
jewel@wasocreditrating.com