

SURVEILLANCE CREDIT RATING REPORT SWISS TEX LIMITED

Ref. no.: FR/2023/030179



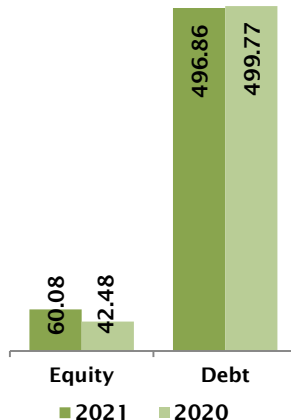
Report Contents:

Particulars	Page
Rating Rationale	01
Corporate Profile	03
Ownership Pattern	03
Management and Human Resources	03
Group Profile	04
Analysis of Industry Dynamics	04
Business Analysis	05
Infrastructural Arrangement	06
Financial Strength Analysis	07
Banking Relationship	08
Risk Factor Analysis	09
Rating Observation	09

Key Snapshot:

Tk. in million		
Particulars	FY21	FY20
Revenue	609.93	579.54
EBIT	71.38	65.88
Net Profit	17.61	1.06
Total Assets	556.94	542.25
Total Equity	60.08	42.48
Debt	496.86	499.77
Net Profit Margin (%)	2.9	0.2
Debt/Equity (X)	8.27	11.77
ICR (X)	1.41	1.06

Capital Structure
(BDT. in million)



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-4	Negative	12 March 2023	11 March 2024

Tk. in Million				
Bank	Mode	Limit Amount	Outstanding Amount	Bank Loan Rating
Jamuna Bank Limited [30.11.2022]	Term Loan	235.37	204.38	blr BBB2
	L/C	190.00	0.00	
	LTR	153.00	63.85	blr ST-4
	LDBP	18.72	18.72	
Hajj Finance Co. Limited [30.11.2022]	SOD	20.00	20.00	
	Lease Finance	25.00	11.78	
	Lease Finance	35.00	35.37	blr BBB2
	Term Loan	10.0	8.48	
National Finance Limited [30.11.2022]	Lease Finance	14.00	1.36	
	Lease Finance	7.10	0.93	blr BBB2
	Term Finance	25.00	9.90	
Phoenix Finance & Investment Ltd. [30.11.2022]	Term Finance	15.00	11.45	blr BBB2
	Lease Finance	1.50	1.01	
MIDAS Financing Limited (30.11.2022)	Lease Finance	2.19	1.57	
	Term Loan	15.00	11.43	blr BBB2
	Lease Finance	3.60	2.64	
	Lease Finance	15.00	13.74	

Financial Based on-Audited financial statement up to 30 June 2021.

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

RATING RATIONALE

WCRC has assigned 'BBB2' (pronounced as Triple B Two) rating for the Long Term and 'ST-4' (pronounced as Short Term Four) rating for Short Term to **Swiss Tex Limited** (hereinafter referred to as 'STL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRC has also assigned "blr BBB2" (pronounced as Bank Loan Rating Triple B Two) rating to the long term loan outstanding and "blr ST-4" (pronounced as Bank Loan Rating Short Term Four) rating to the aggregated short term limit.

The above ratings have been assigned based on the fundamentals of the company which include experienced and skilled management, recognized as a pioneer label manufacturers in Bangladesh, financial flexibility arising from Swiss Tex Group, insurance coverage against fire, owned factory premises and good infrastructural arrangement, satisfactory health and safety measures, broad range of buyers.

However, the above factors are constrained to average disclosure in the financial statement, high levered in the capital structure, stressed liquidity position with long cash conversion cycle, marginal interest coverage position.

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 has the capacity to meet its financial commitment on the obligation; however, it may face uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

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WCRCL also viewed the company with “**Negative**” outlook and believes that **STL** will be able to maintain its good fundamentals in the foreseeable future.

--- End of Rationale ---