

8th SURVEILLANCE CREDIT RATING REPORT IMPRESS FASHION LIMITED

Ref. no.: FR/2023/031262



Report Contents:

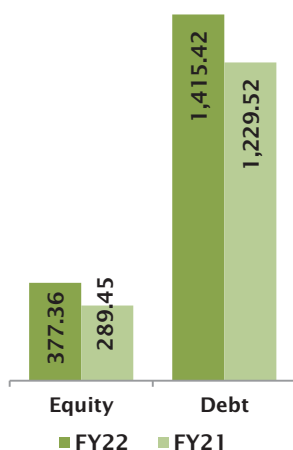
Particulars	Page No.
Rating Rationale	01
Corporate Profile	03
Group Profile	03
Management and Human Recourses	04
Market Review	04
Business Analysis	07
Financial Strength Analysis	08
Credibility and Banking Relationship	09
Risk Factor Analysis	10
Rating Observations	11

Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	3,306.8	2,145.1
EBIT	204.47	150.59
Net Profit	87.91	59.49
Total Assets	1,792.7	1,518.97
Total Equity	377.36	289.45
Debt	1,415.4	1,229.52
Net Profit Margin (%)	2.7%	2.8%
CCC (Days)	129.66	155.42
ICR (X)	2.08	1.87

Capital Structure
(BDT. in million)



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A3	ST-3	Stable	31 May 2023	29 November 2023

BDT. in Million				
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Bank Loan Rating
Mutual Trust Bank Limited (11.05.2023)	BBT LC	450.00	21.20	blr A3
	Acceptance		43.10	
	EDF Loan (inner)	(450.00)	-	
	PC	15.00	-	
	SOD	20.00	0.54	blr ST-3
	BG (Inner)	(20.00)	--	
	FDBP	20	--	
Shajalal Islami Bank Limited (14.05.2023)	HPSM (Machinery) (Rev.)	(400.00)		blr A3
	HPSM (Ind.)	2300.00	451.48	
	Murabaha Sight	500.00	0	
	BTB LC	14000.00	10493.08	
	Bai-Salam (Rev.)	700.00	643.12	
	BMCTR (Rev.)	800.00	815.49	blr ST-3
	FDBP (Rev)	1000.00	87.61	
	BG (Rev)	250.00	45.46	
	Bai Salam (Salary)	400.00	402.80	

Financial Based on Audited financial statements up to 30 June 2022.

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

RATING RATIONALE

WCRCL has upgraded to **A3** (pronounced as single A Three) rating for the Long Term and **ST-3** (pronounced as Short Term Three) rating for Short Term to Impress Fashion Limited (hereinafter referred to as 'IFL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL also upgraded to **blr A3** (pronounced as Bank Loan Rating single A Three) for total long term loan outstanding and **blr ST-3** (pronounced as Bank Loan Rating Short Term Three) for short term loan limit. The above ratings have been assigned based on the fundamentals of the company which include experienced management team, satisfactory health and safety measures, financial flexibility arising from Impress Group, established market position and stable customer profile which reflects healthy turnover and margins, production capacity has been enhanced, and good debt coverage position. However, the above factors are constrained to operational bottleneck due to stress liquidity position with long cash conversion cycle, highly levered capital structure and it is increasing trend, and lack of disclosure in the financial statements.

The long term rating implies that the company is subject to an upper medium grade and subject to low credit risk. The short term rating implies that the company has an 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.