

# INITIAL CREDIT RATING REPORT SHAMS WASHING LIMITED

Ref. no.: FR/2022/29079



## Report Contents:

Particulars	Page
Rating Rationale	1
Corporate Background	2
Group Profile	2
Management Evaluation	2
Market Review	3
Business Analysis	6
Financial Strength Analysis	7
Banking Relationship	8
Risk Factor Analysis	8
Rating Observations	9

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB3	ST-3	Stable	18 December 2022	17 December 2023

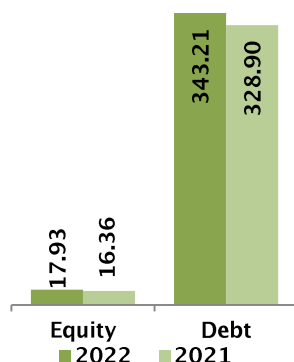
Bank Name	Mode of Investment	Limit Amount	Outstanding Amount	Bank Loan Rating
EXIM Bank Limited (09.03.2023)	IBB (Mach)	866	871.92	blr BBB2
	IBB (HP)	1082	977.88	
	IBB (HB)	1052	1087.46	
	IBB- Other	350.82	299.11	blr ST-3
	Quard	186.60	186.60	
	Bai-Muajjal	750	768.22	

Tk. in Million

## Key Snapshot:

Particulars	FY22	FY21
Revenue	38.31	38.79
EBIT	2.31	2.01
Net Profit	1.57	1.37
Total Assets	361.14	345.26
Total Equity	17.93	16.36
Total debt	343.21	328.90
Net Profit Margin (%)	4.1%	3.5%
CCC (Days)	27	25
ICR (X)	4.22	4.48

Capital Structure  
(BDT. in million)



Financial Based on–Unaudited statements up to 30<sup>th</sup> June 2022.

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

## RATING RATIONALE

WCRCL has assigned 'BBB3' (pronounced as Triple B Three) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to **Shams Washing Limited** (hereinafter referred to as '**SWL**' or '**The Company**') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has assigned 'blr BBB3' (pronounced as Bank Loan Rating Triple B Three) rating to the long term loan outstanding and 'blr ST-3' (pronounced as Bank Loan Rating Short Term Three) rating to short term loan limit.

The above ratings have been assigned based on the fundamentals of the company which include experienced directors and key management team, maintained sound relation with supplier, buyer and lender, good interest coverage position, availability of the supply of raw materials, satisfactory safety measures, own factory premise.

However, the above factors are constrained by not efficiently control over Cost of goods sold, no disclosure in financial statement, high levered in the capital structure, extensive competition to the market, vulnerability in raw- materials price in the local and international market may impact profitability, adverse shock in RMG industry may affect revenue growth.

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The long term rating implies that the entity 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 acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

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