

# CREDIT RATING REPORT CHENG YI GARMENTS INDUSTRIES LIMITED



Ref. no.: FR/2022/31896

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 2	Stable	27 December 2022	26 December 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093  
BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Social Islami Bank Limited	BTB LC	53.50	52.067	15.12.2022
<b>Total</b>		<b>53.50</b>	<b>52.067</b>	

*Financial Based on—audited financial statements up to 30 June 2022.*

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

## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	525.50	211.30
EBIT	12.82	3.73
Net Profit	9.71	2.64
Total Assets	186.91	67.14
Total Equity	29.41	19.70
Total debt	157.50	47.44
Net Profit Margin (%)	1.8%	1.3%
CCC (Days)	10	07
ICR (X)	219.34	147.13

## RATING RATIONALE

WCRCL has assigned **‘WCRSE 2’** (pronounced as WASO Credit Rating Small Enterprise Two) rating under the SME Rating to **Cheng Yi Garments Industries Limited** (hereinafter referred as “CYGIL” 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:

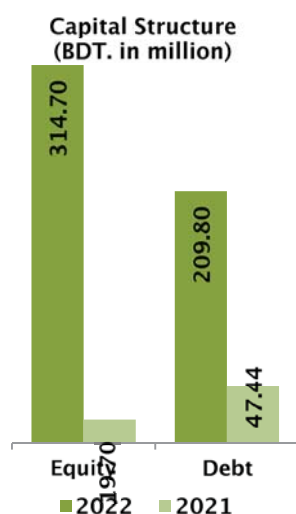
- Experience of promoter in the garments industries
- Experienced and proactive management
- Good interest coverage position
- Availability of the supply of raw materials
- Comfortable security arrangement
- Satisfactory banking relationship
- Owned factory premises and good infrastructural arrangement

However, the above rating has been moderated to some extent due to some factors like:

- Moderately disclosure in the financial statement
- Low management information system (MIS) and Manual accounting system
- Vulnerability in raw- materials price in the local and international market may impact profitability
- Highly levered capital structure

The SME rating implies that the company is adjudged to **high level** of credit worthiness in relation to other small companies.

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



## Analysts:

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