

SURVEILLANCE CREDIT RATING REPORT SHANTEX (PVT.) LIMITED

Ref. no.: FR/2023/031400

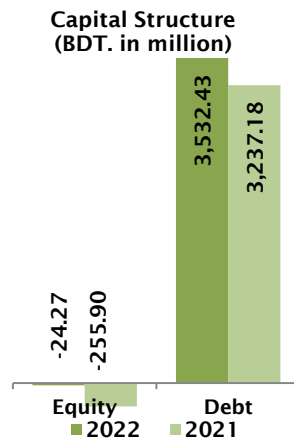


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Key Snapshot:

Particulars	Tk. in million	
	FY22	FY21
Revenue	2,169.6	1,252.8
COGS	1,762.9	1,002.2
Profit from Operation	375.19	211.65
Financial Exp.	133.89	108.84
PAT	231.62	97.44
Total Assets	3,508.1	2,981.2
Total Debt	3,532.4	3,237.1
Total Equity	-24.27	-255.89
Debt/Equity (X)	-145.54	-12.65
ICR (X)	2.80	1.95



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB1	ST-3	Stable	31 May 2023	14 March 2024

Tk. In Million				
Name of Banks	Mode of Facility	Limit Amount	Outstanding Amount	Bank Loan Rating
Southeast Bank Ltd. (31.03.2023)	Term Loan	1,060.1	1,026.63	blr BBB1
	L/C	250.00	0.00	
	BTB LC/ EDF	450.00	442.86	
	LTR	100.00	0.00	
	PC	45.00	0.00	blr ST-3
	OD	20.00	20.27	
	IDBP	100.00	0.00	
	Time Loan	6.00	0.00	
	Sub Total	2,031.10	1,489.76	
	Term Loan	1,060.7	856.26	blr BBB1
Bank Asia Limited (31.03.2023)	Term Loan	42.66	6.08	
	L/C	600.00	600.00	
	LTR	100.00	0.00	
	BTB L/C	200.00	200.00	
	PC	20.00	20.10	blr ST-3
	OD	20.00	20.00	
	LDBP	200.00	149.39	
	LC (One Time)	280.00	280.00	
	Sub Total	2,523.41	2,131.83	
	Grand Total	4,064.36	3,621.59	

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 assigned 'BBB1' (pronounced as Triple B One) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to **Shantex (Pvt.) Limited** (hereinafter referred to as '**SPL**' 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 assigned 'blr BBB1' (pronounced as Bank Loan Rating Triple B One) rating to the long term loan outstanding and "blr ST-3" (pronounced as Bank Loan Rating Short Term Three) rating to the aggregated short term limit.

The above ratings have been assigned based on the fundamentals of the company which include experience of promoter in the garments industries, experienced and proactive management, financial flexibility arising from Shanin Group, increased trend of revenue, presence of fire insurance policy, satisfactory safety measures, comfortable security arrangement, satisfactory banking relationship, owned factory premises and good infrastructural arrangement.

However, the above factors are constrained to average disclosure in the financial statement, vulnerability in raw- materials price in the local and international market may impact profitability, high levered in the capital structure, stressed liquidity position considering high current liabilities, marginal interest coverage position due to high financial debt, adverse shock in textile industry may affect revenue growth.

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 an acceptable ability to repay short term debt

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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 **SPL** will be able to maintain its good fundamentals in the foreseeable future.

--- End of Rationale ---