

SURVEILLANCE CREDIT RATING REPORT SMILE APPARELS LIMITED

Ref. no.: FR/2023/031453



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	14 June 2024

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

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount	Outstanding Date
Bangladesh Commerce Bank Ltd.	HPSM	70.00	13.77	31.05.2023
	HPSM	26.50	8.40	
	HPSM	1.82	0.39	
	BTB LC/EDF	250.00	203.29	
	Bai-Muajjal (OD)	39.00	25.07	

Key Snapshot:

Particulars	Tk. in million	
	FY22	FY21
Revenue	943.99	555.21
EBIT	78.89	55.18
Net Profit	52.22	36.19
Total Assets	682.41	447.71
Total Equity	249.65	197.43
Debt	432.76	250.28
Net Profit Margin (%)	5.5%	6.5
Current Ratio (X)	1.52	1.83
CCC (Days)	38	109
Debt/Equity (X)	1.73	1.27
ICR (X)	4.40	3.85

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

Methodology: SME Rating Methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has reaffirmed **WCRSE 3** (Pronounced WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Smile Apparels Limited** (hereinafter referred to as 'SAL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above rating has been assigned based on the fundamentals of the company which include long period of business track record in history, 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, comfortable security arrangement, satisfactory banking relationship, having own transport facility.

However, the above factors are constrained to some extent by average disclosure in financial statements, high levered in the capital structure, tight liquidity position, extensive competition to the market, vulnerability in raw- materials price in the local and international market may impact profitability, rented factory premise, adverse shock in RMG industry may affect revenue growth.

The SME rating implies that the enterprise is adjudged **above average level** of credit worthiness in relation to other SEs/MEs.

WCRCL also viewed the enterprise with **Stable** outlook and believes that, **SAL** will be able to maintain its good fundamentals in the foreseeable future.

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