

SURVEILLANCE CREDIT RATING REPORT THE SHANIN CORPORATION LIMITED

Ref. no.: FR/2023/031402



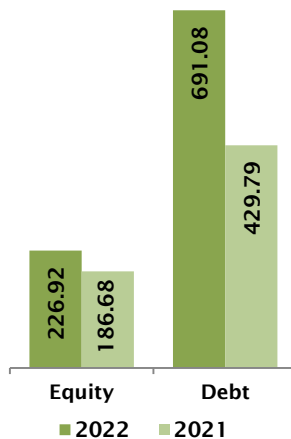
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Key Snapshot:

	Tk. in million	
Particulars	FY22	FY21
Revenue	1,289.30	604.00
COGS	1,189.01	560.56
Profit from Operation	67.71	19.74
Financial Exp.	21.24	7.30
PAT	40.24	10.20
Total Assets	917.99	616.46
Total Debt	691.07	429.78
Total Equity	226.91	186.67
Debt/Equity (X)	3.05	2.30
ICR (X)	3.19	2.76

**Capital Structure
(BDT. in million)**



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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	39.12	4.97	blr BBB1
	BTB LC/ EDF	600.00	927.24	
	PC	65.00	0.00	
	OD	30.00	30.72	blr ST-3
	FDBP	40.00	7.51	
Total		774.12	970.44	

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 **The Shanin Corporation Limited** (hereinafter referred to as '**TSCL**' 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, revenue was increased from preceding year because of increase buyers order, good liquidity position considering short cash conversion cycle, good interest coverage position, presence of fire insurance policy, availability of the supply of raw materials, 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, 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 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 **TSCL** will be able to maintain its good fundamentals in the foreseeable future.