

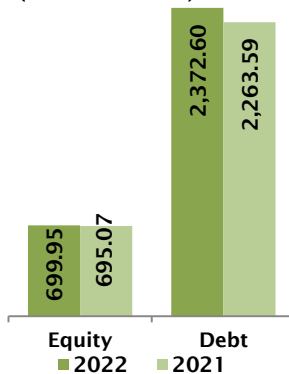
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## Key Snapshot:

*Tk. in million*

Particulars	2022	2021
Revenue	573.99	553.48
EBIT	227.04	205.19
Net Profit	4.88	38.47
Total Assets	3,072.5	2,958.6
Total Equity	699.95	695.07
Debt	2,372.6	2,263.5
Net Profit Margin (%)	0.9%	7.0%
CCC (Days)	535	428

Capital Structure  
(BDT. in million)

## Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB3	ST-4	Stable	10 April 2023	09 April 2024

*Tk. in million*

Bank	Mode	Limit/Sanctioned amount	Outstanding Amount	Bank Loan Rating
Agrani Bank Limited	CC (Hypo)	296.80	577.20	blr ST-4
	Covid	80.00	83.80	
	Demand Loan	4.50	4.20	
Premier Bank Limited	Overdraft-C	240.00	260.34	blr ST-4
	Term Loan	918.55	1133.29	
Bangladesh Finance & Investment Company Limited (30.03.2023)	Lease Finance	22.88	30.72	blr BBB 3

**Financial Based on-** Audited and unaudited financial statement of up to 2022.

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

## RATING RATIONALE

WCRCL has reaffirmed 'BBB3' (pronounced Triple B Three) rating for the Long Term and 'ST-4' (pronounced Short Term Four) rating for Short Term to Mahid Apparel Limited (hereinafter referred as "MAL" or "the company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL also Assigned 'blr ST-4' to all the short-term loan facilities and 'blr BBB3' to the long term loan facility enjoyed by the company.

The above ratings have been assigned based on experienced Management, established market position and stable customer profile which reflects healthy turnover and margins, long standing relationship with clients, mitigate demand risk, backward linkage facilities, group strength, increasing business trend. However, the above factors are constrained to some extent by average disclosure of financial statement, highly levered capital structure, poor debt service coverage position, stressed liquidity position, rating may downgrade in future if banking conduct does not improve, low utilization of assets .i. e., low ROAA.

The long term rating implies that the entity rated in this category 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 having some speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it may face uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation. WCRCL believes that the issuer may require covenant relief in order to maintain orderly access to funding lines.

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