

## Report Contents:

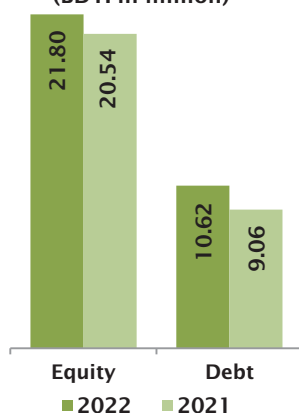
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	98.37	100.30
EBIT	9.58	10.37
Net Profit	8.63	9.53
Total Assets	32.42	29.60
Total Equity	21.80	20.54
Total debt	10.62	9.06
Net Profit Margin (%)	8.8%	9.5%
CCC (Days)	32.85	34.65
ICR (X)	10.02	12.27

Capital Structure  
(BDT. in million)



## Analysts:

**Mahmud Hasan**  
roin@wasocreditrating.com

**Md. Rafiul Bary**  
rafi@wasocreditrating.com

SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

WCRSME3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

**Financial Based** on-audited financial statements up to 31<sup>th</sup> December 2022.

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and medium Enterprise Three) rating under the SME Rating to Mars Classic Wear Limited (hereinafter referred as "MCWL" 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:

- Experienced and skilled management
- Satisfactory banking relationship
- Regular loan repayment history
- Good interest coverage position
- Low levered capital structure

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

- No insurance coverage
- Average disclosure in the financial statement
- Adverse shock in RMG industry may affect revenue growth

The SME rating implies that the Company is adjudged to above average credit quality in relation to other small and medium Companies.

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

This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.