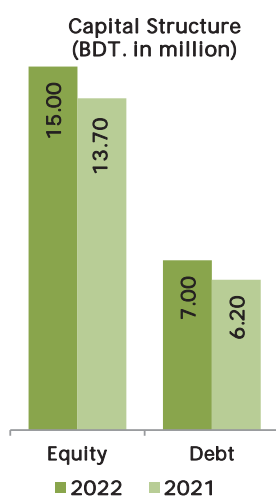


#### Report Contents:

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

#### Key Snapshot:

Particulars	BDT. In Million	
	2021	2022
Revenue	53.79	57.56
EBIT	4.94	5.38
Net Profit	4.44	4.83
Total Assets	20.50	22.00
Total Equity	13.70	15.00
Debt	6.80	7.00
Net Profit Margin (%)	8.3	8.4
CCC (Days)	115	115
ICR (X)	9.89	9.78



#### Analysts:

Mst. Irin Akter  
irin@wasocreditrating.com

Monira Islam  
monira@wasocreditrating.com

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	14 November 2023	19 November 2024

Name of the Bank	Mode of Investment	Sanctioned Amount	BDT. In Million	
			Outstanding Amount as on 26 September 2023	
United Commercial Bank PLC	CC(H)	5.00	2.49	

*Financial Based on-* Management prepared financial statements up to 31<sup>st</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 Shahjalal Garments (hereinafter referred to as 'SG' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

The above ratings have been assigned based on the fundamentals of the enterprise which include long business experiences of the proprietor good business network, low leverage position in the capital structure, good interest coverage ratio, sound business relation with supplier & buyer and comfortable security arrangement. However, the above factors are constrained to some extent by no disclosure in the financial statement, manual accounting process, inventory holding risk, tight liquidity position considering long cash conversion cycle and high competition in the business.

The SME rating implies that the enterprise is adjudged to above average level credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that SG 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.