

1st SURVEILLANCE CREDIT RATING REPORT STARLET APPARELS LIMITED

Ref. no.: FR/2023/033971



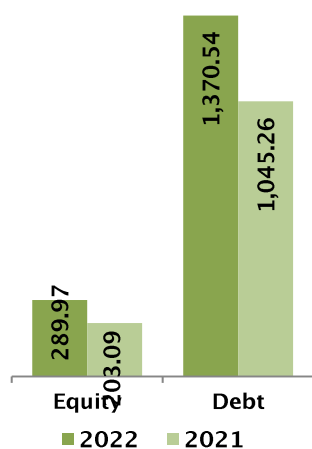
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Key Snapshot:

BDT. in million		
Particulars	FY22	FY21
Revenue	1,997.51	1,255.8
EBIT	138.45	85.00
Net Profit	86.88	48.69
Total Assets	1,660.51	1,248.3
Total Equity	289.97	203.09
Debt	1,370.54	1,045.2
Net Profit Margin (%)	4.3%	3.9%
CCC (Days)	207	248
ICR (X)	3.49	2.95

Capital Structure
(BDT. in million)



Analysts:

Maharan Nasrin
maharan@wasocreditrating.com

Monira Islam
monira@wasocreditrating.com

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A-	ST 3	Stable	03 October 2023	02 October 2024

BDT. In Million				
Name of Banks	Mode of Facility	Limit Amount	Outstanding Amount	Bank Loan Rating
First Security Islami Bank Ltd. (31.08.2023)	HPSM	25.00	20.46	blr A-
	BTB LC/ EDF		279.23	
	ABP	1,300.00	437.61	
	EDF		526.71	
	Pre-Shipment	90.00	57.94	blr ST 3
	Foreign Documentary Bill	30.00	-	
	Bai-Murabaha (Hypo)	5.50	50.30	

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

Methodology: Corporate rating methodology published on the WCRCCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCCL has upgraded 'A-' (pronounced as Single A Minus) rating for the Long Term and 'ST 3' (pronounced as Short Term Three) rating for Short Term to **Starlet 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 issuance. WCRCCL has also upgraded 'blr A-' (pronounced as Bank Loan Rating Single A Minus) 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 experienced and proactive management, revenue was in increased from preceding year because of increase buyers order, the entity is a profitable concern, good interest coverage position, presence of fire insurance policy, availability of the supply of raw materials, satisfactory safety measures, good infrastructural arrangement, comfortable security arrangement, satisfactory banking relationship.

However, the above factors are constrained to average disclosure in the financial statements, vulnerability in raw- materials price in the local and international market may impact profitability, high levered in the capital structure, stressed liquidity position considering long cash conversion cycle, adverse shock in textile industry may affect revenue growth, rented factory premises.

The long term rating implies that the company has above average credit quality. The short term rating implies that the company has average ability to meet short term financial commitments.

WCRCCL also viewed the company with "**Stable**" outlook and believes that **SAL** 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.