

INITIAL CREDIT RATING REPORT
APPAREL PLUS LIMITED



Ref. no.: CRA/18897/2023

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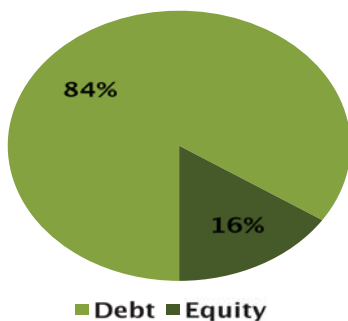
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Key Snapshot:

Tk. in million

Particulars	2022	2021
Revenue	2699.16	1661.75
EBIT	168.94	108.89
Net Profit	88.18	60.04
Total Assets	1785.87	1685.87
Total Equity	280.80	192.62
Debt	1505.06	1493.24
Net Profit Margin (%)	3.27	3.61
Current Ratio (X)	1.21	1.21
Debt to Equity (X)	5.36	7.75
Interest Coverage Ratio (X)	2.48	2.72

Capital Structure



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A-	ST 3	Stable	26 December 2023	25 December 2024

Bank Name	Mode of Investment	Sanctioned/ Limit Amount	Outstanding as on 30.11.2023
United Commercial Bank PLC	Time Loan	98.00	98.000
	BBLC		257.70
	ULC Acceep		68.90
	CDEF	430.70	2.70
	BTB LC		269.20
	SG		11.50
Premier Bank Limited	HPSM (Ind)	462.01	397.88
	HPSM (RE)	600.00	598.52
	HPSM (Salary)	44.74	10.87
	Bai Muazzal (Others)	14.87	15.04
	Bai Muazzal (C-Others)	20.00	20.85

Financial Based on- Audited financial statement up to 30 June 2022, 2021, and 2020.

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

RATING RATIONALE

WASO Credit Rating Company (BD) Limited (WCRCL) has assigned "A-" (pronounced as single A minus) rating for the Long Term and "ST 3" (pronounced as Short Term Three) rating for Short Term to **Apparel Plus Limited** (hereinafter referred as "APL" 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 A-" (Pronoun as Bank Loan Rating Single A minus) rating to the total term loan outstanding and "blr ST 3" (Pronounced as Bank Loan Rating Short Term Three) to the aggregated short term limit.

The above ratings have been assigned based on the fundamentals of the company which include sponsors have good knowledge about their business, strong group support, insured with insurance coverage, good quality of the financial statements, experience and proactive management team and stable cost efficiency indicators. However, the above factors are constrained to operational bottleneck due to lower profit margin in financial position, stress liquidity position with long cash conversion cycle, and highly levered concern.

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

WCRCL also viewed the company with "Stable" outlook and believes that APL 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.