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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME2	Stable	12 February 2024	11 February 2025

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Social Islami Bank PLC	BTB LC	65.00	62.00	31.12.2023
Total		65.00	62.00	

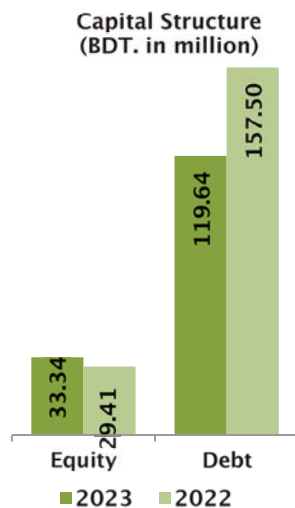
Financial Based on–Audited financial statements up to 30 June 2023.

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

Key Snapshot:

BDT. in million

Particulars	2023	2022
Revenue	430.76	525.50
EBIT	9.79	12.82
Net Profit	3.93	9.71
Total Assets	152.97	186.91
Total Equity	33.34	29.41
Total debt	119.64	157.50
Net Profit Margin (%)	0.9%	1.8%
CCC (Days)	24	16
ICR (X)	123.76	219.34



RATING RATIONALE

WCRCL has reaffirmed ‘WCRSME2’ (pronounced as WASO Credit Rating Small & Medium Enterprise Two) rating under the SME Rating to **Cheng Yi Garments Industries Limited** (hereinafter referred as “CYGIL” 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:

- Experience of promoter in the garments industries
- Experienced and proactive management
- Comfortable interest coverage position
- Availability of the supply of raw materials
- Very strong security arrangement(Lien of MTDR Covering 100.46%)
- Highly Satisfactory banking relationship
- Owned factory premises and good infrastructural arrangement

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

- Average disclosure in the financial statement
- Manual accounting system
- Vulnerability in raw- materials price in the local and international market may impact profitability
- Highly levered capital structure

The rating implies that the enterprise has very strong credit quality.

Analysts:

Nazrul Islam
nazrul@wasocreditrating.com

Ummay Fatema
fatema@wasocreditrating.com

WCRCL also viewed the company with “**Stable**” outlook and believes that CYGIL 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.