

# SURVEILLANCE CREDIT RATING REPORT FRIENDSHIP GARMENTS

Ref. no.: FR/2022/26012



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	11 October 2022	10 October 2023

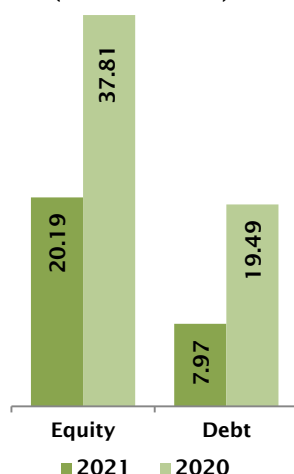
WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount	BDT. in million
				Outstanding Date
Uttara Bank Limited	CC (Hypo)	7.00	6.99	04.09.2022

## Key Snapshot:

Particulars	BDT. in million	
	2021	2020
Revenue	41.00	29.87
EBIT	4.03	5.17
Net Profit	3.91	4.67
Total Assets	28.16	57.30
Total Equity	20.19	37.81
Debt	7.97	19.49
Net Profit Margin (%)	9.5%	15.6%
CCC (Days)	302	498
ICR (X)	35.12	10.90

**Capital Structure**  
(BDT. in million)



**Financial Based on-** unaudited financial statements up to 31<sup>st</sup> December 2021.

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Friendship Garments (hereinafter referred to as 'FG' 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, satisfactory banking relationship, low leverage position in the capital structure and good interest coverage position.

However, the above factors are constrained to some extent by lack of disclosure in the financial statement, tight liquidity position considering long cash conversion cycle, small scale of business, no insurance coverage and proprietorship concern has no legal entity.

The SME rating implies that the enterprise is adjudged to average level of credit worthiness in relation to other small enterprises.

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

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