

# SURVEILLANCE CREDIT RATING REPORT MRIDULA GARMENTS



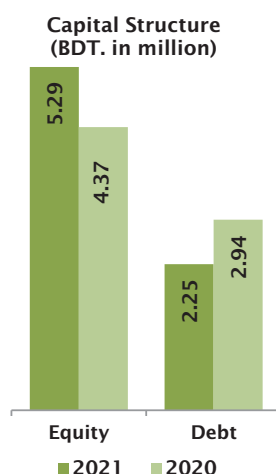
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## Key Snapshot:

| BDT. in million       |      |      |
|-----------------------|------|------|
| Particulars           | 2021 | 2020 |
| Revenue               | 5.50 | 5.00 |
| EBIT                  | 1.35 | 1.11 |
| Net Profit            | 1.06 | 0.82 |
| Total Assets          | 7.54 | 7.30 |
| Total Equity          | 5.29 | 4.37 |
| Debt                  | 2.25 | 2.94 |
| Net Profit Margin (%) | 19.2 | 16.3 |
| CCC (Days)            | 188  | 182  |
| ICR (X)               | 4.65 | 3.84 |



## Analysts:

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| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|---------|---------------------|--------------------|
|            | WCRSE 3     | Stable  | 11 October 2022     | 10 October 2023    |

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

| BDT. in million     |                    |                   |                    |                     |
|---------------------|--------------------|-------------------|--------------------|---------------------|
| Bank Name           | Mode of Investment | Sanctioned Amount | Outstanding Amount | Date of Outstanding |
| Uttara Bank Limited | CC (H)             | 3.50              | 2.54               | 26.09.2022          |

Financial Based on-Management prepared 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 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Mridula Garments (hereinafter referred as "MG" or "The Enterprise") 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 enterprise which includes:

- Experienced and skilled management
- Good business network
- Satisfactory banking relationship
- Good interest coverage position
- Low levered capital structure
- Good Net Worth of the Proprietor

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

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage
- Low management information system (MIS) and Manual accounting system

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

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