

SURVEILLANCE CREDIT RATING REPORT GULF FASHION WEAR



Ref. no.: FR/2022/26299

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Key Snapshot:

Particulars	2021	2020
Revenue	13.50	9.33
EBIT	4.03	2.43
Net Profit	3.05	1.85
Total Assets	36.75	31.25
Total Equity	27.90	24.15
Total debt	8.85	7.10
Net Profit Margin (%)	22.6%	19.8%
CCC (Days)	255	283
ICR (X)	4.20	4.31



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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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (H)	3.00	1.76	10.10.2022

Financial Based on- Unaudited financial statements up to 31st December 2021.

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Gulf Fashion Wear (hereinafter referred as "GFW" 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:

- Skilled management
- Satisfactory banking relationship
- Low levered capital structure
- Good interest coverage position
- Good security coverage against loan

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

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

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

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