

# SURVEILLANCE CREDIT RATING REPORT CHOWDHURY GARMENTS LIMITED

Ref. no.: FR/2023/030375



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SME Rating	WCR SE/ME	Outlook	Date of Declaration	Date of Expiration
	WCRME 4	Stable	28 March 2023	11 March 2024

\*WCRME 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	Tk. in million
				Outstanding Date
AB Bank Limited	Term Loan	301.50	301.45	27.03.2023
	BTB LC	60.00	0.00	

**Financial Based on-** Audited financial statements up to 30 June 2022.

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

## Key Snapshot:

Particulars	Tk. in million	
	FY22	FY21
Sales	12.29	2.46
EBIT	0.50	0.12
Net Profit	0.44	0.11
Total Assets	911.73	848.97
Total Equity	517.08	517.90
Total debt	394.65	331.07
Net Profit Margin (%)	3.55	4.70
CCC (Days)	625	348
Debt/Equity (X)	0.76	0.64
FFO	0.44	0.11

## RATING RATIONALE

WCRCL has reaffirmed 'WCRME 4' (pronounced as WASO Credit Rating Medium Enterprise Four) rating under the SME Rating to **Chowdhury Garments Limited** (hereinafter referred to as 'CGL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

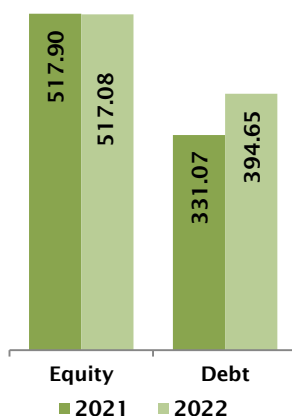
The above ratings have been assigned based on the fundamentals of the company which include experience of promoter in the garments industries, experienced and skilled management, low levered in the capital structure and satisfactory safety measures, owned factory premises and good infrastructural arrangement.

However, the above factors are constrained to average disclosure in the financial statements, small scale in the revenue, stressed liquidity position, worse interest coverage position, no insurance coverage against fire, volatile market price of the raw materials, adverse shock in RMG industry may affect revenue growth, poor banking conduct with rescheduling history.

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

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

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



## Analysts:

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