

INITIAL CREDIT RATING REPORT GARTEX GARMENTS LIMITED



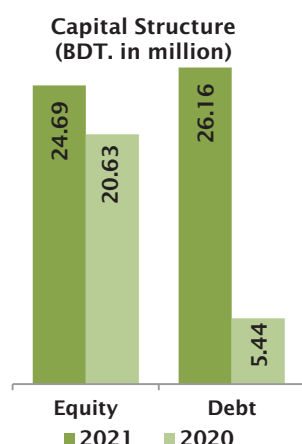
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Key Snapshot:

BDT. in million		
Particulars	2021	2020
Revenue	256.05	244.71
EBIT	8.51	5.63
Net Profit	4.05	1.24
Total Assets	50.85	26.07
Total Equity	24.69	20.63
Debt	26.16	5.44
Net Profit Margin (%)	1.6	0.5
ICR (X)	2.91	1.93



Analysts:

Md. Rifat Ahmed
rifat@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSME 2	Stable	04 July 2023	03 July 2024

WCRSME 2 rating is equivalent to Bangladesh Bank SME rating scale of SME 2 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

RATING RATIONALE

WCRCL has assigned 'WCRSME 2' (pronounced as WASO Credit Rating Small and Medium Enterprise Two) rating under the SME Rating to Gartex Garments Limited (hereinafter referred as "GGL" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Owned business premises and storage facility
- Good interest coverage position
- Low levered capital structure

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

- No insurance coverage
- Medium disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to very strong credit quality in small and medium enterprises.

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