

# INITIAL CREDIT RATING REPORT SYNERGY FASHIONS LIMITED

Ref. no.: FR/2023/32423



## Report Contents:

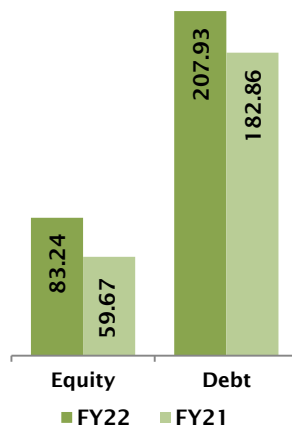
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## Key Snapshot:

Tk. in million

Particulars	FY22	FY21
Revenue	308.89	269.78
EBIT	41.11	33.30
Net Profit	22.42	15.96
Total Assets	291.17	242.50
Total Equity	83.24	59.67
Debt	207.93	182.86
Net Profit Margin (%)	7.3	5.9
CCC (Days)	136	138
ICR (X)	2.56	2.15
Current ratio(X)	1.68	1.81
Debt/Equity Ratio(X)	2.50	3.06

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



## Analysts:

**Shudhan Mallick**  
shudhan@wasocreditrating.com

**Maharan Nasrin**  
maharan@wasocreditrating.com

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB	ST 3	Stable	04 July 2023	03 July 2024

TK in Million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Bank Loan Rating
Southeast Bank Limited (15.03.2023)	Term Loan	122.298	79.60	blr BBB
	BTB L/C	150.00	131.41	
	Time Loan/PC	15.00	8.49	
	OD	5.00	5.00	blr ST 3
	FDBP	25.00	1.02	
	EDF		7.76	

\*blr – Bank Loan Rating

**Methodology:** Corporate rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

**Financial Based on-** Audited financial statements up to 30<sup>th</sup> June 2022.

## RATING RATIONALE

WCRCL has assigned 'BBB' (pronounced as Triple B) rating to the entity for long term and 'ST 3' (pronounced as Short Term Three) for short term to **Synergy Fashions Limited** (hereinafter referred as "SFL") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment. WCRCL has also assigned 'blr BBB' (pronounced as bank loan rating Triple B) rating to the long term loan outstanding and 'blr ST 3' (pronounced as bank loan rating Short Term Three) rating to aggregate short term limit.

The above ratings have been assigned based on experienced & skilled management, good business network, good profitability margin, strong buyer base, comfortable security arrangement, good operating profit, maintain insurance policy, owned factory premises, satisfactory health and safety measures.

However, the above factors are constrained to some extent by average disclosure of financial statement, highly levered in the capital structure, tight liquidity position considering long cash conversion cycle, moderate infrastructural arrangement & moderate interest coverage position.

The long term rating implies that the entity has average credit quality. The short term rating implies that the company has average ability to meet short term financial commitments.

WCRCL also viewed the company with "**Stable**" outlook and believes that SFL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.