

CREDIT RATING REPORT MARVELOUS FASHION (2ND SURVEILLANCE)

Ref. no.: FR/2023/031274



Report Contents:

Particulars	Page
Rating Rationale	1
Owners Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship and Security	4
Risk Factor Analysis	4
Rating Observations	5

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	31 May 2023	30 May 2024

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	Limit Amount	Outstanding Amount as on 30 May 2023
National Bank Limited	CC -Hypo	13.00	6.28

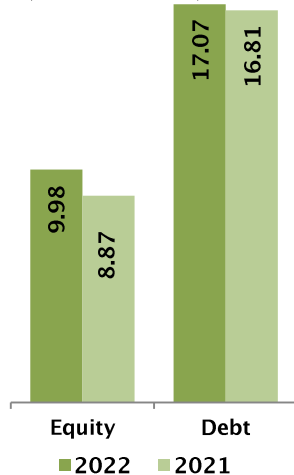
Financial Based on- Management prepared financial statements up to 31 December 2022.

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	55.14	54.57
EBIT	9.29	8.86
Net Profit	8.31	8.19
Total Assets	27.05	25.67
Total Equity	9.98	8.87
Debt	17.07	16.81
Net Profit Margin (%)	15.1%	15.0%
CCC (Days)	133	131
ICR (X)	9.54	13.11

Capital Structure
(BDT. in million)



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RATING RATIONALE

WCRCL has reaffirmed **WCRSE 3** (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Marvelous Fashion** (hereinafter referred to as 'MF' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the enterprise which include positioning of selling point at prime region [i.e. Chistia Market], established market network all over the country, profitability ratios were in increasing position, good debt coverage position, good position in value to loan ratio, and maintaining insurance coverage for the inventory in stock. However, the above factors are constrained to some extent by manual accounting system, long cash conversion cycle due to pile up inventory in stock, highly levered firm, lack of disclosure in the financial statement which creates problem to find out the true attribute of the enterprise.

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

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