

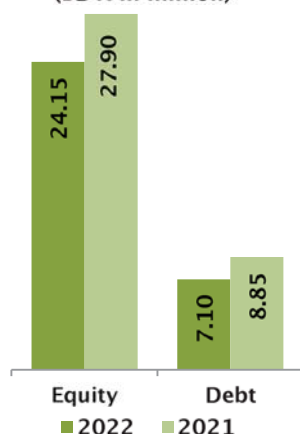
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Key Snapshot:

Particulars	2022	2021
Revenue	9.33	13.50
EBIT	2.43	4.03
Net Profit	1.85	3.05
Total Assets	31.25	36.75
Total Equity	24.15	27.90
Total debt	7.10	8.85
Net Profit Margin (%)	19.8	22.6
CCC (Days)	350	254
ICR (X)	4.31	4.20

Capital Structure
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	31 October 2023	30 October 2024

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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank PLC	CC (H)	10.00	9.93	30.10.2023

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME4' (pronounced as WASO Credit Rating Small and Medium 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 has **average credit quality**.

WCRCL also viewed the enterprise with "Stable" outlook and believes that GFW 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.