

1st SURVEILLANCE CREDIT RATING REPORT NIRJHOR FASHION



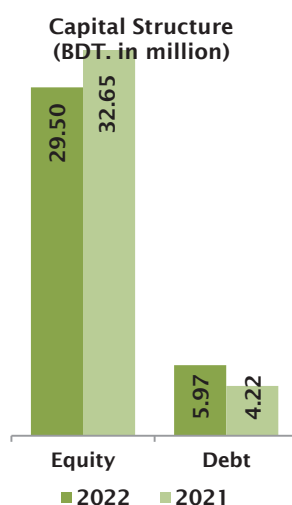
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Key Snapshot:

BDT. in million			
Particulars	2022	2021	
Revenue	34.20	26.02	
EBIT	1.83	2.57	
Net Profit	1.20	2.31	
Total Assets	38.34	36.87	
Total Equity	29.50	32.65	
Debt	5.97	4.22	
Net Profit Margin (%)	3.5	8.9	
CCC (Days)	188	245	
ICR (X)	3.05	10.49	



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	31 October 2023	30 October 2024

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

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Nirjhor Fashion (hereinafter referred as "NF" 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
- Good interest coverage position
- Satisfactory banking relationship
- Good business network
- Low levered capital structure

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

- Inventory holding risk
- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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