

INITIAL CREDIT RATING REPORT ELHAM FASHION LIMITED

Ref. no.: CRAR-18427/2023



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB-	ST 4	Stable	19 December 2023	18 December 2024

Financial Based on- Audited statements up to 30 June 2023.

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

RATING RATIONALE

WCRCL has assigned 'BBB-' (pronounced Triple B Minus) rating for the Long Term and 'ST 4' (pronounced Short Term four) rating for Elham Fashion Limited (hereinafter referred to as 'EFL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has assigned 'blr BBB-' (pronounced as Bank Loan Rating Triple B Minus) rating for the Long Term Loan bank loan limit amount. The above ratings have been assigned based on experienced and skilled management, equipped with sufficient power backup, have fire insurance, give good supportive facilities to the workers and have strong group support. However, the above factors are constrained to some extent long cash conversion cycle due to pile of inventory in stock, tight liquidity position and highly levered in the capital structure.

The long term rating implies that the entity is subject below average credit quality. The short term rating implies that below average ability to meet short term financial commitments.

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

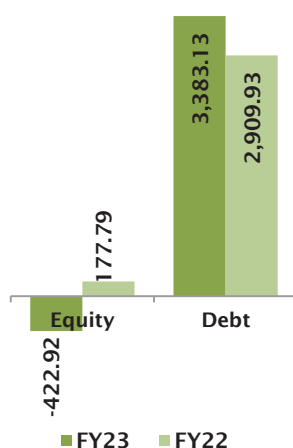
This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

Key Snapshot:

Tk. in million

Particulars	FY23	FY22
Revenue	508.46	3,832.5
EBIT	381.04	255.58
Net Profit	600.72	68.38
Total Assets	2,960.	3,087.7
Total Equity	422.92	177.79
Debt	3,383.	2,909.9
Net Profit Margin (%)	118.1%	1.8%
CCC (Days)	2,189	314
ICR (X)	-1.89	1.44

Capital Structure
(BDT. in million)



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