

1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT  
LEATHER REIGN



Ref. no.: CRAR-15132/2023

Report Contents:

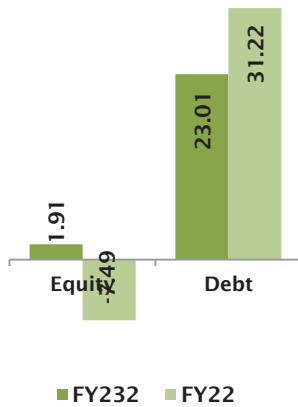
Particulars	Page
Rating Rationale	1
Entity Profile	2
Owner's Profile	2
Business Management	2
Industry Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	16.86	12.55
EBIT	0.04	0.60
Net Profit	-2.16	-2.02
Total Assets	24.92	23.73
Total Equity	1.91	-7.49
Total debt	23.01	31.22
Net Profit Margin (%)	-12.8	-16.1
CCC (Days)	527	627
ICR (X)	0.02	0.23

Capital Structure (BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	23 November 2023	22 November 2024

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

**RATING RATIONALE**

WCRCL has reaffirmed 'WCRSME4' (pronounced as WASO Credit Rating Small and Medium Enterprise Four) rating under the SME Rating to **Leather Reign** (hereinafter referred as "LR" 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 business network
- Good mortgage security coverage against loan

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

- No disclosure in the financial statements
- Highly levered capital structure
- Tight liquidity position considering long cash conversion cycle
- Low interest coverage ratio

(Note: The rating may further downgrade subject to poor banking conduct)

The SME rating implies that the enterprise has average credit quality.

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