

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT ALIM CAR DECORATION



Ref. no.: FR/2022/28758

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	27 December 2022	26 December 2023

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
United Commercial Bank Limited	CC(H)	4.00	4.06	27.12.2022

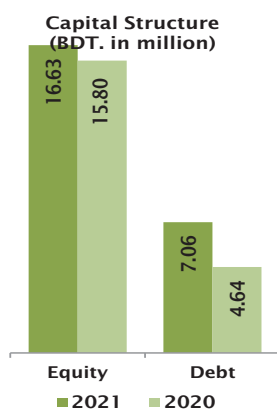
Financial Based on-Unaudited financial statements up to 31<sup>st</sup> December 2021.

Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	17.00	15.00
EBIT	2.28	1.20
Net Profit	1.63	0.80
Total Assets	23.69	20.44
Total Equity	16.63	15.80
Debt	7.06	4.64
Net Profit Margin (%)	9.6	5.3
CCC (Days)	199	211
ICR (X)	6.09	3.43



## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to **Alim Car Decoration** (hereinafter referred as "ACD" 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
- Good mortgage security coverage against loan
- 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 average level of credit worthiness in relation to other small enterprises.

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