

# CREDIT RATING REPORT AMJ FOOTWEAR LIMITED (4<sup>TH</sup> SURVEILLANCE)

Ref. no.: FR/2023/031353



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	12 June 2023	11 June 2024

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

Name of the Bank	Mode of Investment	Sanctioned Limit	Outstanding Amount as on 10 May 2023
Mutual Trust Bank Limited	CC (H)	10.00	nil
	L/C	10.00	5.80
	LTR (Inner Limit of LC)	(8.00)	nil
	Loan (G)	5.00	nil

## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	75.90	15.63
EBIT	8.30	1.25
Net Profit	5.88	0.50
Total Assets	24.01	9.98
Total Equity	-6.24	-11.00
Debt	30.25	20.98
Net Profit Margin (%)	7.8%	3.2%
CCC (Days)	n/a	n/a
ICR (X)	183	3

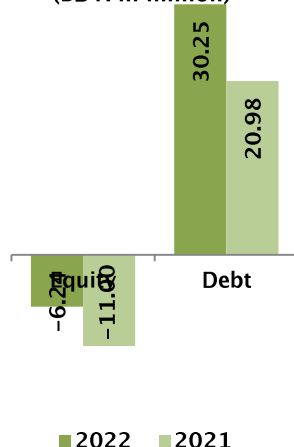
**Financial Based on-** Management prepared financial statements up to 31 December 2022.

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

## RATING RATIONALE

WCRCL has reaffirmed **WCRSE 4** (pronounced as WASO Credit Rating Small Company Four) rating under the SME Rating to **AMJ Footwear Limited** (hereinafter referred to as 'AMJFL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

Capital Structure  
(BDT. in million)



The above ratings have been assigned based on the fundamentals of the company which include sponsors have good knowledge about their business, good payment history of loan, satisfactory health and safety measures, low levered capital structure, positive business trend. However, the above factors are constrained to some extent by followed newly in business operation, tight liquidity position i.e. long cash conversion cycle, equity was negative position, lack of disclosure in financial statements, and no insurance coverage for inventory in stock.

The SME rating implies that AMJ Footwear Limited is adjudged to above average level of credit worthiness in relation to other small company.

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

## Analysts:

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