

# 5<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT DEEPTI CLOTH STORE

Ref. no.: FR/2023/030704



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	10 April 2023	14 March 2024

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Tk. In million

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 30.03.2023
Social Islami Bank Limited	Baim-SME (Rev)	4.00	4.05

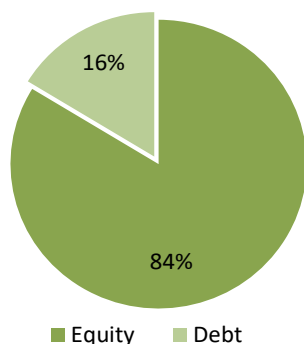
**Financial Based on-** Unaudited financial statement up to 31 December 2022, 2021, 2020.

## Key Snapshot:

Tk. in million

Particulars	2021	2022
Revenue	23.90	27.56
EBIT	2.16	2.48
Net Profit	1.28	1.61
Total Assets	28.93	27.03
Total Equity	25.08	22.63
Total Liabilities	4.35	4.40
Net Profit Margin (%)	5.36	5.85
Current Ratio (X)	4.10	3.51
Quick Ratio	1.53	1.69
CCC (days)	196	170
Debt to Equity (X)	0.17	0.19

Capital Structure



## Analysts:

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

## RATING RATIONALE

WCRCL has upgraded 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Deepti Cloth Store** (hereinafter referred to as 'DCS' or "The Enterprise") based on its financial and other relevant qualitative and quantitative information upto the date of the rating declaration.

The above rating has been assigned based on the fundamentals of the Enterprise which has positioning of selling point at prime region at paikgacha bazar, paikgacha, Khulna, long business experience track of the proprietor, profitability ratios were in good position, strong increasing business trend, good coverage position, low levered enterprise, insurance coverage. However, the above factors are constrained to some extent by manual accounting system, stressed liquidity position with long cash conversion cycle, involvement in highly competitive market, has rented showroom with warehouse facility, no disclosure in the financial statement which creates problem to find out the true attribute of the enterprise.

The SME rating implies that the Enterprise is adjudged to average level of credit worthiness in relation to other SE's.

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