

# 3<sup>rd</sup> SURVEILLANCE CREDIT RATING REPORT AFSANA HOSIERY AND GARMENTS

Ref. no.: FR/2023/32749



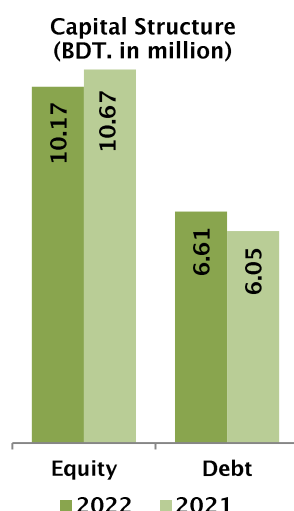
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## Key Snapshot:

Tk. in Million

Particulars	2022	2021
Revenue	84.60	73.56
EBIT	5.14	4.40
Net Profit	5.07	4.34
Total Assets	16.78	16.72
Total Equity	10.17	10.67
Debt	6.61	6.05
Net Profit Margin (%)	6.0%	5.9%
CCC (Days)	16	131
ICR (X)	77.56	73.09



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	11 June 2024

Tk. in Million

Bank	Facility	Limit Amount	Outstanding Amount	Outstanding Date
Uttara Bank Limited	CC (Hypo)	20.00	nil	08.06.2023

*Financial Based on: audited financial statements up to 31th 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 3** (Pronounced WASO Credit Rating Small Enterprise Three) rating to **Afsana Hosiery and Garments** (hereinafter referred to as 'AHG' or 'The enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the enterprise.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good interest coverage position
- Good liquidity position with short cash conversion cycle
- Low levered capital structure

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

- Inventory holding risk
- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS)

The rating implies that the enterprise has an above average credit quality.

WCRCL also viewed the enterprise with **Stable** outlook and believes that **AHG** 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.