

# 6<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT WATCHES WORLD LIMITED

Ref. No.: FR/2023/32327



Report Contents:	
Particulars	Page
Rating Rationale	1
Corporate Profile	2
Shareholding Position	2
Management's Profile	2
Business Analysis	3
Financial Analysis	3
Banking Position Analysis	4
Risk Factors Analysis	4
Rating Observations	

SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	04 July 2023	04 July 2024

WCRSME4 rating is equivalent to Bangladesh Bank SME rating scale of SME4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093.

Tk. in Million

Bank	Facilities	Limit Amount	Outstanding Amount	Outstanding Date
Dhaka Bank Limited	L/C	20.00	-	03/07/2023
	LTR	(18.00)	-	
	Overdraft	50.00	47.09	

## Key Snapshot:

	BDT. in million	
Particulars	FY22	FY21
Revenue	16.35	31.00
EBIT	-2.82	0.19
Net Profit	-7.09	-3.75
Total Assets	15.05	16.60
Total Equity	-47.97	-40.88
Total debt	63.02	57.48
Net Profit Margin (%)	-43.4	-12.1
CCC (Days)	139	77
ICR (X)	-0.74	0.06

Financial Based on: Audited financial statements up to 30<sup>th</sup> June 2022.

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

## RATING RATIONALE

WCRCL has reaffirmed **WCRSME4** (Pronounced WASO Credit Rating Small and Medium Enterprise Four) rating to **Watches World Limited** (hereinafter referred to as 'WWL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the Company.

The above rating has been assigned based on experienced sponsors and skilled management team, long period of business track record in history, established business network, having group support, maintained sound relation with supplier, buyer & supplier, ready succession.

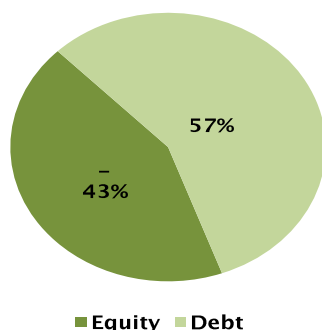
However, the above factors are constrained to some extent by average disclosure in the financial statement, small scale of operation, negative profit margin, negative equity, highly levered concern and liquidity showed tight position, negative interest coverage position, using rental basis outlets and extensive competition to the market.

The SME rating implies that the company is adjudged **average credit quality** to other small and medium enterprises.

WCRCL also viewed the Company with **Stable** outlook and believes that **WWL** 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.

Capital Structure  
(BDT. in million)



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