

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT A AND Z ACCESSORIES



Ref. no.: FR/2023/033581

## Report Contents:

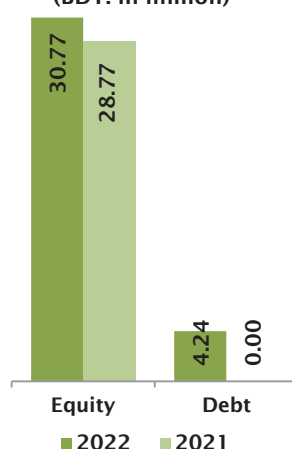
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Market Review	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	191.68	162.12
EBIT	6.29	4.46
Net Profit	5.54	4.11
Total Assets	35.01	29.27
Total Equity	30.77	28.77
Debt	4.24	0.00
Net Profit Margin (%)	2.9%	2.5%
CCC (Days)	17	11
ICR (X)	20.97	n/a

Capital Structure  
(BDT. in million)



## Analysts:

**Ummay Fatema**  
fatema@wasocreditrating.com

**Md. Al Amin Jewel**  
jewel@wasocreditrating.com

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 June 2023	18 June 2024

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to A and Z Accessories (hereinafter referred as "AZA" 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 mortgage security coverage against loan
- Good business network

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

- 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 has Above Average Credit Quality.

WCRCL also viewed the Enterprise with "Stable" outlook and believes that AZA 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.