

4th SURVEILLANCE CREDIT RATING REPORT ABC LEATHER



Ref. no.: FR/2023/033161

Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Industry Analysis	2
Business Analysis	4
Financial Position Analysis	5
Credibility & Banking Relationship	6
Risk Factors Analysis	6
Rating Observations	7

SME Rating	WCR SE/ME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	22 August 2023	28 August 2024

Bank	Mode of Investment	Sanctioned/Limit Amount	Outstanding Amount	Outstanding Date
Agrani Bank Limited	CC(H)	200.00	200.00	01.07.2023

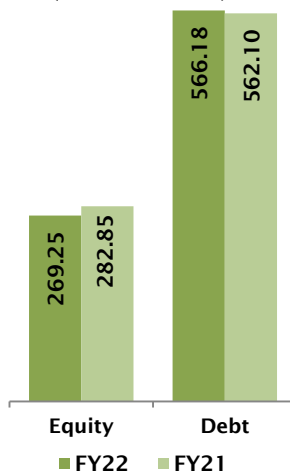
Financial Based Audited financial statements up to FY22.

Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

Key Snapshot:

Particulars	FY22	FY21
Revenue	500.61	558.24
EBIT	58.55	54.25
Net Profit	18.40	32.25
Total Assets	835.43	844.96
Total Equity	269.25	282.85
Debt	566.18	562.10
Net Profit Margin (%)	3.7%	5.8%
CCC (Days)	169	58
ICR (X)	2.08	3.01

Capital Structure
(BDT. in million)



Analysts:

Md. Rafiul Bary
rafi@wasocreditrating.com

MD. Al Amin Jewel
jewel@wasocreditrating.com

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' rating (pronounced as WASO Credit Rating Small and medium Enterprise Three) to ABC Leather (hereinafter referred as "ABCL" or "The enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above ratings have been assigned based on the fundamentals of the company which includes long experience track of the proprietor, owned business premise, strong business network, equipped with sufficient machinery and tools, good insurance coverage position. However, the above factors are constrained to some extent by moderately levered capital structure, tight liquidity position, and manual accounting system.

The SME rating implies that the enterprise is adjudged to above average credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that ABCL 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.