

2nd SURVEILLANCE CREDIT RATING REPORT
ASMA CLOTH STORE
Ref. no.: FR/2023/033706



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

Financial Based on- Management prepared financial statement as on 31 December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed **WCRSME3** (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **Asma Cloth Store** (hereinafter referred to as 'ACS' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the enterprise which positioning of selling point at prime region at Chandpur, long experience of The Proprietor, good debt coverage position, moderated leverage firm, maintaining insurance coverage for the inventory in stock, and good value to loan ratio. However, the above factors are constrained to some extent by manual accounting system, stressed liquidity position due to long cash conversion cycle, and no disclosure in the financial statements which creates problem to find out the true attribute of the enterprise.

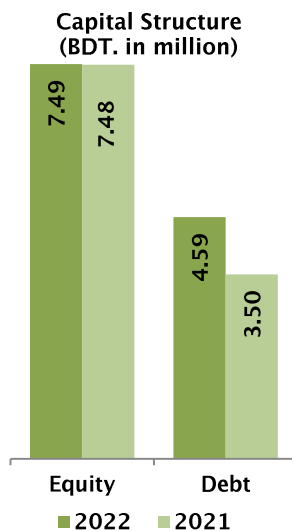
The SME rating implies that Asma Cloth Store is adjudged to above average credit quality.

WCRCL also viewed Asma Cloth Store with "Stable" outlook and believes that the enterprise 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.

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	55.55	48.30
Net Profit	2.81	2.39
Total Assets	2.50	2.10
Total Equity	12.08	10.98
Total Liabilities	7.49	7.48
Net Profit Margin (%)	4.59	3.50
Current Ratio (X)	4.5%	4.4%
CCC (Days)	72.90	n/a
Debt/Equity (X)	8.91	8.33



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