

4th SURVEILLANCE CREDIT RATING REPORT ASIA BOOK AND STATIONERY



Ref. no.: FR/2023/33034

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	08 August 2023	07 August 2024

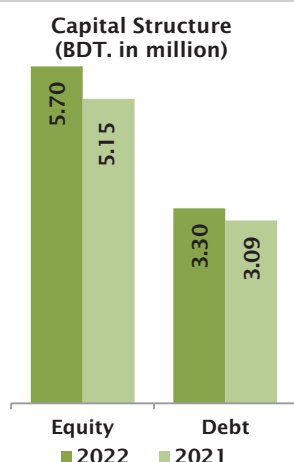
Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME4' (pronounced as WASO Credit Rating Small and Medium Enterprise Four) rating under the SME Rating to Asia Book and Stationery (hereinafter referred as "ABS" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

Tk. in million		
Particulars	2022	2021
Revenue	10.53	4.22
EBIT	1.20	0.72
Net Profit	0.96	0.52
Total Assets	9.00	8.24
Total Equity	5.70	5.15
Debt	3.30	3.09
Net Profit Margin (%)	9.1	12.4
CCC (Days)	260	739
ICR (X)	4.85	3.68



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

- Experienced and skilled management
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good interest coverage position
- Low levered capital structure

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 is adjudged to average credit quality.

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

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