

# 4<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT AZMIRI CLOTH STORE

Ref. no.: FR/2023/33875



## Report Contents:

Particulars	Page
Rating Rationale	1
Owners Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	4

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	26 September 2023	25 September 2024

Tk. In million

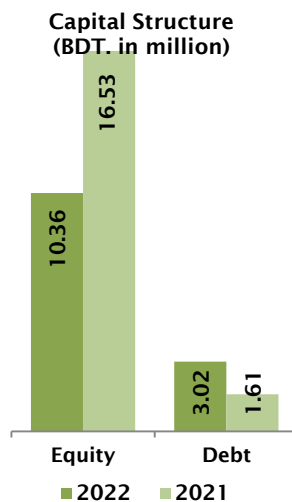
Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount Dated on 27.08.2023
Uttara Bank PLC.	CC(H)	4.00	4.09

**Financial Based on-** Management prepared financial statements up to 31<sup>st</sup> December 2022.

## Key Snapshot:

Tk. in million

Particulars	2022	2021
Revenue	13.70	15.40
EBIT	3.64	4.67
Net Profit	3.22	4.30
Total Assets	13.38	18.14
Total Equity	10.36	16.53
Debt	3.02	1.61
Net Profit Margin (%)	23.5	27.9
CCC (Days)	401	409
ICR (X)	8.82	12.97



**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 **Azmiri 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 assessment.

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

- Experienced and skilled management
- Good business network
- Good interest coverage position
- Low levered capital structure
- Good mortgage security coverage against loan

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

- Inventory holding risk
- Tight liquidity position
- Low disclosure of financial statements
- Manual accounting system

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

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