

INITIAL CREDIT RATING REPORT AHAD ZIPPER CENTER



Ref. no.: CRAR-17739/2023

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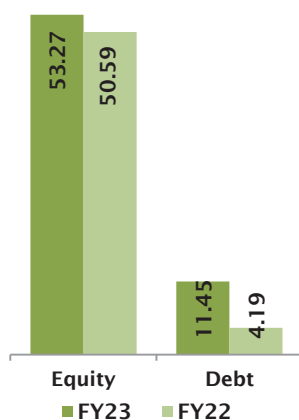
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Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	89.67	87.42
EBIT	8.95	8.47
Net Profit	7.68	7.52
Total Assets	64.72	54.77
Total Equity	53.27	50.59
Total debt	11.45	4.19
Net Profit Margin (%)	8.6	8.6
CCC (Days)	116	99
ICR (X)	7.08	8.89

Capital Structure
(BDT. in million)



Analysts:

Mahmud Hasan
roin@wasocreditrating.com

Md. Akter Hossain
akter@wasocreditrating.com

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	07 November 2023	06 November 2024

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Ahad Zipper Center (hereinafter referred as "AZC" 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 business network
- Good Profitability margin
- Low levered capital structure
- Comfortable interest coverage position

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

- Low disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- 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 AZC 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.