

INITIAL CREDIT RATING REPORT AHMED HOUSE HOLD PRODUCTS (PVT) LIMITED



Ref. no.: FR/2023/33833

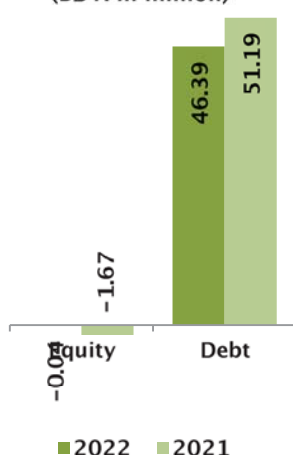
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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	21.66	20.21
EBIT	3.16	3.53
Net Profit	1.63	1.57
Total Assets	46.35	49.52
Total Equity	-0.04	-1.67
Total debt	46.39	51.19
Net Profit Margin (%)	7.5%	7.8%
CCC (Days)	-259	-310
ICR (X)	4.03	2.78

Capital Structure
(BDT. in million)



Analysts:

Nazrul Islam
nazrul@wasocreditrating.com

Monira Islam
monira@wasocreditrating.com

SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	05 September 2023	04 September 2024

Financial Based on—unaudited financial statements up to 30 June 2022.

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 & Medium Enterprise Three) rating under the SME Rating to **Ahmed House Hold Products (Pvt) Limited** (hereinafter referred as "AHHPL" or "The Company") 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 company which includes:

- Experience of promoter in the garments industries
- Experienced and proactive management
- Presence of fire insurance policy
- Availability of the supply of raw materials
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- Average disclosure of financial statements
- Small scale in the business
- Vulnerability in raw- materials price in the local and international market may impact profitability
- Tight liquidity position with long cash conversion cycle
- High levered in the capital structure and now is alarming position

The rating implies that the enterprise has an above average credit quality.

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