

# 3<sup>rd</sup> SURVEILLANCE CREDIT RATING REPORT PEERAGE SHOES



Ref. no.: FR/2023/032096

## Report Contents:

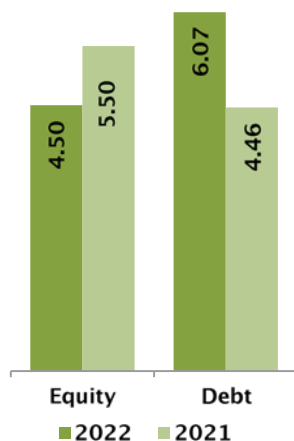
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

## Key Snapshot:

BDT. in million

Particulars	2021	2022
Revenue	25.50	25.89
EBIT	2.24	2.26
Net Profit	2.05	1.55
Total Assets	9.96	10.57
Total Equity	5.50	4.50
Debt	4.46	6.07
Net Profit Margin (%)	8.0	6.0
CCC (Days)	99	99
ICR (X)	12.42	3.19

Capital Structure  
(BDT. in million)



## Analysts:

**Mst. Irin Akter**  
irin@wasocreditrating.com

**Monira Islam**  
monira@wasocreditrating.com

SME Rating	WCRSME3	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	04 July 2023	03 July 2024

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (Hypo)	4.00	4.21	25.06.2023

**Financial Based on**–Unaudited financial statements up to 31<sup>st</sup> December 2022.

**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://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 Peerage Shoes (hereinafter referred as "PS" 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:

- Long business experiences of the proprietress
- Good business network
- Comfortable security arrangement against loan
- Satisfactory banking relationship
- Good interest coverage position

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

- Lack of disclosure in the financial statements
- Market saturation or high competition
- Small scale in the business
- Tight liquidity position considering long cash conversion cycle
- Inventory holding risk

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

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