

1st SURVEILLANCE CREDIT RATING REPORT
A. K. SANDLE FACTORY



Ref. no.: CRAR-13129/2023

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 December 2023	18 December 2024

Methodology: SME rating methodology published on the WCRCL website at 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 A. K. Sandle Factory (hereinafter referred as “AKSF” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

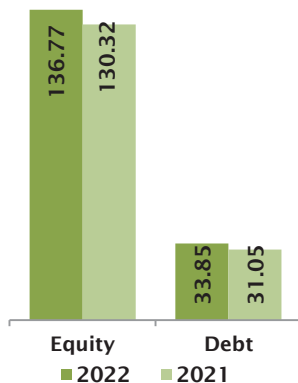
BDT. in million

Particulars	2022	2021
Revenue	339.54	295.25
EBIT	36.28	31.35
Net Profit	31.33	26.85
Total Assets	170.62	161.37
Total Equity	136.77	130.32
Debt	33.85	31.05
Net Profit Margin (%)	9.2	9.1
CCC (Days)	140	127
ICR (X)	7.33	6.97

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

- Experienced and skilled management
- Satisfactory banking relationship
- Good business network
- Good interest coverage position
- Low levered capital structure

Capital Structure (BDT. in million)



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

- Tight liquidity position with long cash conversion cycle
- No insurance coverage
- No disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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WCRCL also viewed the enterprise with “Stable” outlook and believes that AKSF 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.