

2nd SURVEILLANCE CREDIT RATING REPORT AL MADINA CLOTH STORE



Ref. no.: CRAR-11027/2023

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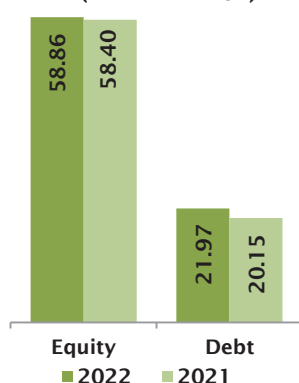
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	80.50	70.00
EBIT	7.95	6.86
Net Profit	5.86	4.96
Total Assets	80.83	78.55
Total Equity	58.86	58.40
Debt	21.97	20.15
Net Profit Margin (%)	7.3	7.1
CCC (Days)	242	265
ICR (X)	3.81	3.61

Capital Structure
(BDT. in million)



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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 Al Madina Cloth Store (hereinafter referred as "AMCS" 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 proprietor in the business
- Good business network
- Good profitability margin
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship

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

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