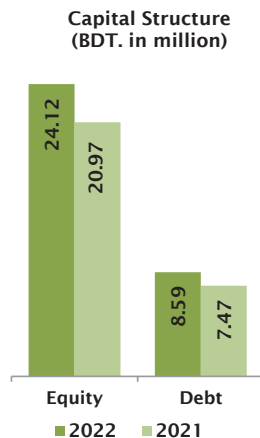


**Report Contents:**

| Particulars                 | Page |
|-----------------------------|------|
| Rating Rationale            | 01   |
| Business Management         | 02   |
| Business Analysis           | 02   |
| Financial Position Analysis | 03   |
| Banking Relationship        | 03   |
| Risk Factor Analysis        | 04   |
| Rating Observation          | 04   |

**Key Snapshot:**

| Tk. in million        |       |       |
|-----------------------|-------|-------|
| Particulars           | 2022  | 2021  |
| Revenue               | 26.45 | 23.00 |
| EBIT                  | 2.27  | 1.98  |
| Net Profit            | 1.68  | 1.46  |
| Total Assets          | 32.71 | 28.45 |
| Total Equity          | 24.12 | 20.97 |
| Debt                  | 8.59  | 7.47  |
| Net Profit Margin (%) | 6.4   | 6.4   |
| CCC (Days)            | 405   | 433   |
| ICR (X)               | 3.99  | 3.99  |



**Analysts:**

**Shudhan Mallick**  
Shudhan@wasocreditrating.com

**Maharan Nasrin**  
maharan@wasocreditrating.com

| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
|            | WCRSME3      | Stable  | 12 December 2023    | 06 December 2024   |

**Financial Based on-** Management prepared 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 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Gazi Footwear** (hereinafter referred to as 'GF' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

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

- Experienced and skilled management
- Good business network
- Good interest coverage position
- Good mortgage security coverage against loan
- Low levered capital structure

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

- No disclosure of financial statements
- Inventory holding risk
- Tight liquidity position
- Manual accounting system

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

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