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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	05 December 2023	17 December 2024

*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 Enterprise Three) rating under the SME Rating to **Alif And Ador Cloth House** (hereinafter referred as "AACS" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

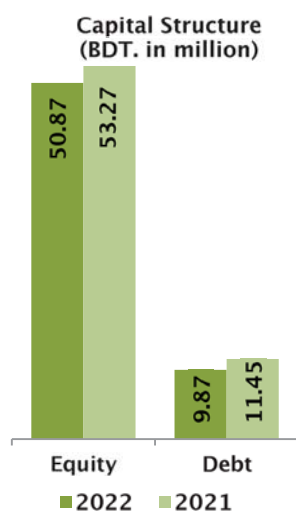
**Key Snapshot:**

*BDT. in million*

Particulars	2022	2021
Revenue	96.00	89.67
EBIT	9.24	8.95
Net Profit	8.01	7.68
Total Assets	60.75	64.72
Total Equity	50.87	53.27
Total debt	9.87	11.45
Net Profit Margin (%)	8.3%	8.6%
CCC (Days)	121	135
ICR (X)	7.54	7.08

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

- Experienced and skilled management
- Low levered capital structure
- Good 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:

- Tight liquidity position with long cash conversion cycle
- No disclosure of financial statements
- Manual accounting system

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

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

**Analysts:**

**Nazrul Islam**  
nazrul@wasocreditrating.com

**Ummay Fatema**  
fatema@wasocreditrating.com