

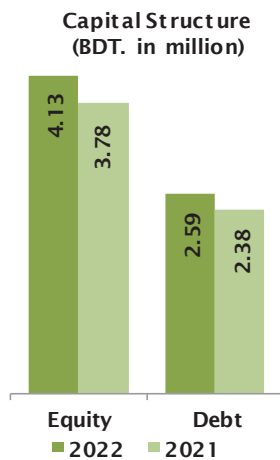
**Report Contents:**

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

**Key Snapshot:**

BDT. in million

Particulars	2022	2021
Revenue	66.21	57.58
EBIT	5.69	3.64
Net Profit	5.26	3.25
Total Assets	6.72	6.16
Total Equity	4.13	3.78
Total debt	2.59	2.38
Net Profit Margin (%)	7.9%	5.6%
CCC (Days)	46	43
ICR (X)	13.19	9.29



**Analysts:**

**Fatema Tuj Jahura Jhumu**  
jhumu@wasocreditrating.com

**Nazrul Islam**  
nazrul@wasocreditrating.com

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](http://www.wasocreditrating.com)*

**RATING RATIONALE**

WCRCL has reaffirmed ‘WCRSME3’ (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to Azad Hosto Shilpo (hereinafter referred as “AHS” 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:

- Experienced and skilled management
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good interest coverage position
- Low levered capital structure

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

- Good liquidity position with Average cash conversion cycle
- No Insurance coverage
- No Tin Certificate
- Low 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 AHS 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.