

CREDIT RATING REPORT CHOWDHURY AUTO RICE & BOILER MILL



Ref. no.: FR/2022/026252

Report Contents:

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

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	11 October 2022	10 October 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

BDT. In Million				
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
NCC Bank Limited	CC (Hypo)	9.00	9.23	10.10.2022

Financial Based on-Management prepared financial statements up to 31st December 2021.

Key Snapshot:

BDT. In Million		
Particulars	2021	2020
Revenue	105.46	95.87
EBIT	7.84	6.53
Net Profit	5.96	5.53
Total Assets	51.71	49.99
Total Equity	22.10	27.54
Debt	29.61	22.45
Net Profit Margin (%)	5.6%	5.8%
CCC (Days)	81	86
ICR (X)	4.16	6.56

Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Chowdhury Auto Rice & Boiler Mills(hereinafter referred as "CAR&BM" 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
- Satisfactory banking relationship
- Owned business premises and storage facility
- Good mortgage security coverage against loan
- Good business network
- Have insurance policy

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

- Tight liquidity position considering long cash conversion cycle
- Lack of disclosure in the financial statements
- Low interest coverage ratio
- Low management information system (MIS) and Manual accounting system
- Highly levered capital structure

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The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that CAR&BM will be able to maintain its good fundamentals in the foreseeable future.

