

SURVEILLANCE CREDIT RATING REPORT NETROKONA TRADERS

Ref. no.: FR/2022/025921



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	19 September 2022	18 September 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	Limit Amount	Outstanding Amount as on 18 September 2022
Mercantile Bank Limited	Bank Guarantee	10.00	nil

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

Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	196.00	159.00
EBIT	15.47	11.89
Net Profit	14.91	11.45
Total Assets	34.92	31.75
Total Equity	33.42	29.75
Debt	1.50	2.00
Net Profit Margin (%)	7.6%	7.2%
CCC (Days)	48	54
ICR (X)	103	118.

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

RATING RATIONALE

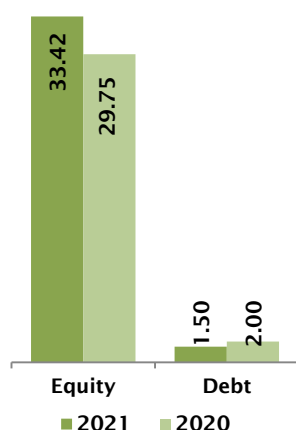
WCRCL has upgraded **WCRSE 3** (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Netrokona Traders** (hereinafter referred to as 'NT' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the enterprise which include long experience and active management team, low leverage position, owned showroom with warehouse facility, and good value to loan ratio. However, the above factors are constrained to some extent by manual accounting system, price volatility of trading products, lack of disclosure in the financial statements, and no insurance coverage for the inventory in stock.

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

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

**Capital Structure
(BDT. in million)**



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