

# CREDIT RATING REPORT OSAN BUILDERS



Ref. no.: FR/2022/26007

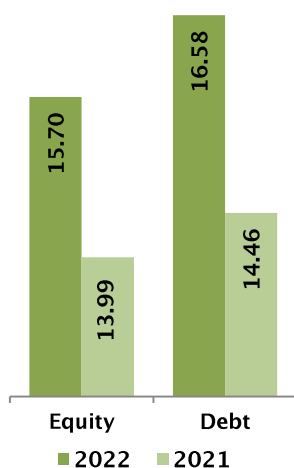
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## Key Snapshot:

BDT. in million		
Particulars	FY22	FY21
Revenue	64.05	57.19
EBIT	5.53	4.69
Net Profit	4.13	3.43
Total Assets	32.29	28.45
Total Equity	15.70	13.99
Total debt	16.58	14.46
Net Profit Margin (%)	6.4%	6.0%
CCC (Days)	119	122
ICR (X)	5.31	4.82

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



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	11 October 2022	10 October 21023

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

**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Osan Builders (hereinafter referred as "OB" 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
- Comfortable interest coverage position
- Maintained sound business relation with supplier & buyer

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

- Tight liquidity position with long cash conversion cycle
- Highly levered capital structure
- No insurance coverage for the inventory in stock
- Lack of disclosure in the financial statements
- Low management information system (MIS) and Manual accounting system

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 OB will be able to maintain its good fundamentals in the foreseeable future.