

SURVEILLANCE CREDIT RATING REPORT NOVA TRADERS

Ref. no.: FR/2022/26243



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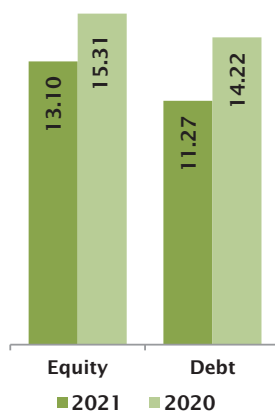
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Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	192.38	169.81
EBIT	4.44	5.76
Net Profit	3.04	5.60
Total Assets	26.58	29.52
Total Equity	13.10	15.31
Debt	11.27	14.22
Net Profit Margin (%)	1.6%	3.3%
CCC (Days)	44	55
ICR (X)	3.16	34.37

Capital Structure
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	11 October 2022	10 October 2023

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 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
Uttara Bank Limited	CC (H)	4.00	3.25	30.08.2022

Financial Based on-Management prepared financial statements of 31st December 2020 & 2021.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to **Nova Traders** (hereinafter referred as "NT" 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
- Comfortable 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:

- Inventory holding risk
- Tight liquidity position
- No insurance coverage
- Expired Trade License
- Lack of disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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