

SURVEILLANCE CREDIT RATING REPORT YANBU HARDWARE & PAINT CORNER



Ref. no.: FR/2022/026517

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	06 November 2022	05 November 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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (H)	3.50	3.49	05.11.2022

BDT. in million

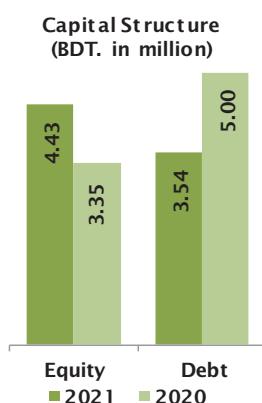
Financial Based on-Unaudited financial statements up to 31st December 2021.

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

Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	22.70	19.20
EBIT	1.63	1.07
Net Profit	1.08	0.74
Total Assets	7.05	5.87
Total Equity	4.43	3.35
Debt	3.54	5.00
Net Profit Margin (%)	4.8%	3.8%
CCC (Days)	88	86
ICR (X)	3.32	3.68



RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Yanbu Hardware & Paint Corner (hereinafter referred as "YHPC" 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:

- Skilled management
- Highly satisfactory banking relationship
- Good mortgage security coverage against loan
- Good interest coverage position
- Low levered capital structure

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

- Low disclosure of financial statements
- No insurance coverage
- Tight liquidity position with long cash conversion cycle
- Low management information system (MIS) and Manual accounting system

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

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