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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
Uttara Bank Limited	CC (Hypo)	2.00	1.93	04.10.2022

Financial Based on- Management prepared 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	2.66	2.59
EBIT	0.49	0.38
Net Profit	0.45	0.38
Total Assets	2.40	2.42
Total Equity	1.78	1.81
Debt	0.62	0.61
Net Profit Margin (%)	17.0	14.7
CCC (Days)	411	409
ICR (X)	13.93	n/a

RATING RATIONALE

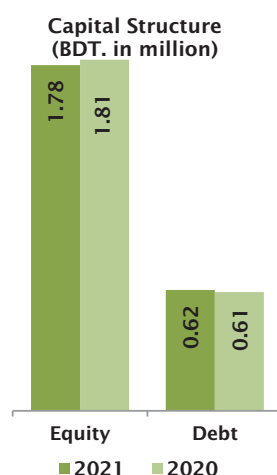
WCRCL has upgraded 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Zakia Sanitary & Hardware (hereinafter referred as "ZSH" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Satisfactory banking relationship
- 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:

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- Inventory holding risk
- No insurance coverage
- Small scale in the business area
- Low management information system (MIS) and Manual accounting system



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