SURVEILLANCE CREDIT RATING REPORT

NEW SHOHAG TYRE

Ref. no.: FR/2023/29571

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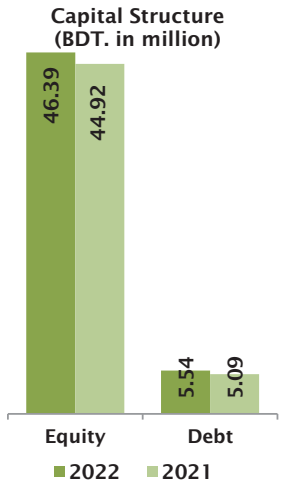
Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	35.18	30.59
EBIT	3.92	3.33
Net Profit	3.55	2.99
Total Assets	51.94	50.01
Total Equity	46.39	44.92
Total debt	5.54	5.09
Net Profit Margin (%)	10.1%	9.8%
CCC (Days)	422	463
ICR (X)	10.69	10.00



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	13 February 2023	12 February 2024

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*

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to New Shohag Tyre (hereinafter referred as "NST" 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 mortgage security coverage against loan
- Good business network
- Regular loan repayment history
- Long experience track of the proprietor
- Good interest coverage position
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- Rented business premises and storage facility
- Low disclosure of 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 NST will be able to maintain its good fundamentals in the foreseeable future.