

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT NISHAT ENTERPRISE



Ref. no.: FR/2022/028080

## Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	27 December 2022	26 December 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
United Commercial Bank Limited	CC (H)	3.00	2.66	27.09.2022

BDT. In million

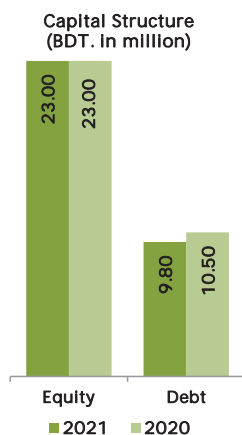
Financial Based on- unaudited financial statements for 31<sup>st</sup> December 2019-2021.

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

## Key Snapshot:

BDT. In million

Particulars	2020	2021
Revenue	120.00	102.00
EBIT	22.78	14.28
Net Profit	22.08	13.60
Total Assets	33.50	32.80
Total Equity	23.00	23.00
Debt	10.50	9.80
Net Profit Margin (%)	18.4	13.3
CCC (Days)	98	111
ICR (X)	32.54	20.99



## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Nishat Enterprise (hereinafter referred as "NE" 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
- Good business network
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Low levered capital structure
- Good interest coverage position

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
- Low management information system (MIS) and Manual accounting system

## Analysts:

Mst. Irin Akter  
[irin@wasocreditrating.com](mailto:irin@wasocreditrating.com)

Md. Al Amin Jewel  
[jewel@wasocreditrating.com](mailto:jewel@wasocreditrating.com)

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