

2nd SURVEILLANCE CREDIT RATING REPORT ASA AUTO RICE MILL



Ref. no.: FR/2023/031532

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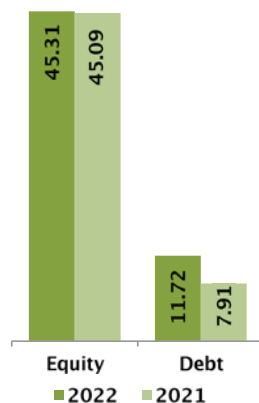
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Key Snapshot:

BDT. in million

Particulars	2021	2022
Revenue	70.43	84.70
EBIT	4.74	3.89
Net Profit	3.43	3.52
Total Assets	53.00	57.03
Total Equity	45.09	45.31
Total debt	7.91	11.72
Net Profit Margin (%)	4.9	4.2
CCC (Days)	119	78
ICR (X)	3.66	10.60

Capital Structure
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	11 June 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

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Janata Bank Limited	CC (H)	15.00	11.83	04.06.2023

Financial Based on—Unaudited financial statements for 31 December 2018 to 2022.

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 Asa Auto Rice Mill (hereinafter referred as “AARM” 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
- Owned business premises and storage facility
- 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:

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

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