

2nd SURVEILLANCE CREDIT RATING REPORT MD. REAZ UDDIN



Ref. no.: FR/2023/030162

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Bank loan Rating	Bank loan rating	Outlook	Date of Declaration	Date of Expiration
	blr ST-4	Stable	28 March 2023	07 March 2024

* Bank loan rating may valid till date of rating expiration mentioned above or the expiration of facilities whichever is earlier.

BDT. in million				
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Mercantile Bank Limited	CC(Hypo)	30.00	24.77	19.03.2023
	SOD (Gen)	15.00	4.39	
	BG/PG	27.50	13.27	

Key Snapshot:

BDT. in million

Particulars	2021	2022
Revenue	40.00	41.00
EBIT	5.06	5.17
Net Profit	3.24	3.35
Total Assets	30.72	29.76
Total Equity	14.71	13.56
Debt	16.00	16.20
Net Profit Margin (%)	8.1	8.2
CCC (Days)	15	17
ICR (X)	6.80	2.85

Financial Based on-Unaudited financial statements up to 31st December 2022.

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

RATING RATIONALE

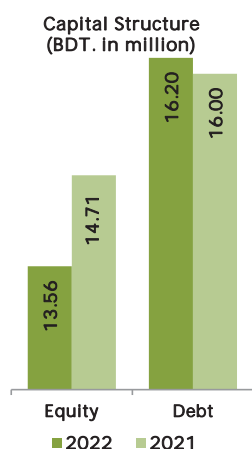
WCRCL has reaffirmed '**blr ST-4**' (pronounced as Bank Loan Rating Short Term Four) rating under the Bank Loan Rating to **Md. Reaz Uddin** (hereinafter referred as "MRU" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating 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:

- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system



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The short term rating implies that the company has an acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

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