

SURVEILLANCE CREDIT RATING REPORT RAMZAN CYCLE STORE



Ref. no.: FR/2023/30586

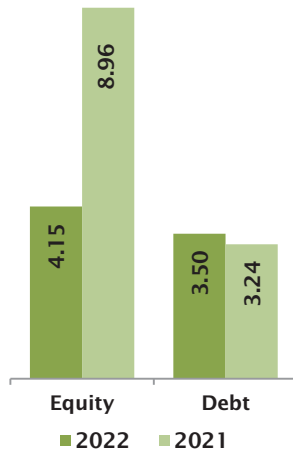
Report Contents:

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

Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	40.10	39.86
EBIT	3.60	3.12
Net Profit	3.51	3.01
Total Assets	7.65	12.20
Total Equity	4.15	8.96
Total debt	3.50	3.24
Net Profit Margin (%)	8.8%	7.5%
CCC (Days)	53	45
ICR (X)	40.44	n/a

**Capital Structure
(BDT. in million)**



Analysts:

Sazedul Islam
sazedul@wasocreditrating.com

Ummay Fatema
fatema@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	28 March 2023	27 March 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 assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Ramzan Cycle Store (hereinafter referred as "RCT" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Low levered capital structure
- Regular loan repayment history

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

- Low disclosure of financial statements
- Liquidity position was TIGHT evident by long cash conversion cycle
- 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 RCT will be able to maintain its good fundamentals in the foreseeable future.