

4th SURVEILLANCE CREDIT RATING REPORT BADSHA IRON STORE

Ref. no.: FR/2023/32249



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| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|---------|---------------------|--------------------|
| | WCRSME3 | Stable | 04 July 2023 | 03 July 2024 |

WCRSME3 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 | Facility | Limit Amount | Outstanding Amount | Outstanding Date |
|---------------------|-----------|--------------|--------------------|------------------|
| Uttara Bank Limited | CC (Hypo) | 5.00 | 05.05 | 13.06.2023 |

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

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

| | BDT. in million | |
|-----------------------|-----------------|-------|
| Particulars | 2022 | 2021 |
| Revenue | 31.05 | 27.00 |
| EBIT | 2.29 | 1.95 |
| Net Profit | 1.74 | 1.45 |
| Total Assets | 17.07 | 15.61 |
| Total Equity | 10.20 | 9.31 |
| Total debt | 6.87 | 6.30 |
| Net Profit Margin (%) | 5.6% | 5.4% |
| CCC (Days) | 104 | 114 |
| ICR(X) | 4.16 | 3.91 |

RATING RATIONALE

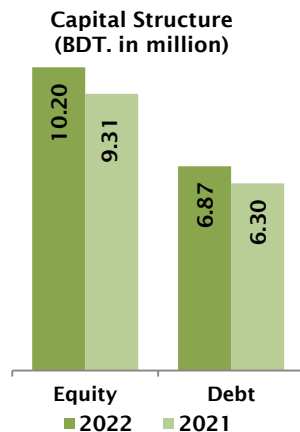
WCRCL has reaffirmed **WCRSME3** (Pronounced WASO Credit Rating Small Enterprise Three) rating to **Badsha Iron Store** (hereinafter referred to as 'BIS' or 'The enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the enterprise.

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
- Good mortgage security coverage against loan
- Good business network
- 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



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The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other SEs/MEs.

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