

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT CONTEMPORARY



Ref. no.: FR/2023/033821

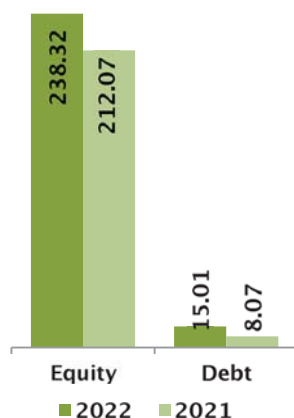
## Report Contents:

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
Sales	522.73	303.10
EBIT	95.59	50.22
Net Profit	62.77	36.31
Total Assets	253.33	220.14
Total Equity	238.32	212.07
Total debt	15.01	8.07
Net Profit Margin (%)	12.0%	12.0%
Current Ratio (X)	51.57	69.98
CCC (Days)	522	303

Capital Structure  
(BDT. in million)



## Analysts:

**Maharan Nasrin**  
maharan@wasocreditrating.com

**Md. Rafiul Bary**  
rafi@wasocreditrating.com

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	12 September 2023	11 September 2024

Financial Based on- Audited financial statements up to 30 June 2022.

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **Contemporary** (hereinafter referred as "Contemporary" 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
- Sales revenue was in increased trend with positive growth
- Low leverage position in the capital structure
- Satisfactory banking relationship
- Good debt coverage position
- The enterprise is a profitable concern

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

- Tight liquidity position with long cash conversion cycle
- Lack of disclosure in financial statements
- Price volatility of the products
- High inventory pile-up affecting working capital
- No insurance coverage for the inventory in stock

The SME rating implies that the enterprise is adjudged to above average credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that Contemporary will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.