

3rd SURVEILLANCE CREDIT RATING REPORT DHAKA TIMBER TRADERS & SAW MILL

Ref. no.: FR/2023/33210



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	22 August 2023	21 August 2024

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

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount	Outstanding Date
Uttara Bank PLC	CC (Hypo)	8.00	-	21.08.2023

Tk. in million

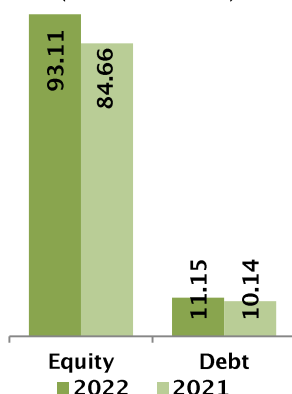
RATING RATIONALE

Key Snapshot:

Tk. in million

Particulars	2022	2021
Revenue	346.71	315.19
EBIT	48.98	42.10
Net Profit	47.32	40.45
Total Assets	104.27	94.80
Total Equity	93.11	84.66
Debt	11.15	10.14
Net Profit Margin (%)	13.6	12.8
CCC (Days)	38	38
ICR (X)	29.42	25.51

Capital Structure
(BDT. in million)



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WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Dhaka Timber Traders & Saw Mill (hereinafter referred to as 'DTTSM' or 'The enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

The above ratings have been assigned based on the fundamentals of the enterprise which include experienced and skilled management, good business network, owned business premises and storage facility, good profitability margin, low levered capital structure, good liquidity position with short cash conversion cycle, comfortable interest coverage position, satisfactory banking relationship and good mortgage security coverage against loan.

However, the above factors are constrained to some extent by low disclosure in the financial statement, small scale in the business, no insurance coverage for the inventory in stock and manual accounting system. In addition to those, proprietorship concern has no legal entity rather it reflects proprietary activities of internal fund flow.

The SME rating implies that the enterprise has **above average credit quality**.

WCRCL also viewed the enterprise with "Stable" outlook and believes that DTTSM 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.