

1st SURVEILLANCE CREDIT RATING REPORT EKRA ENTERPRISE



Ref. no.: FR/2022/24902

Report Contents:

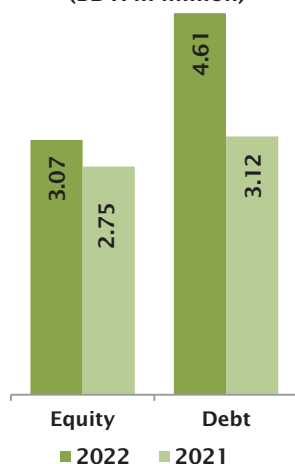
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Market Review	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	10.25	6.89
EBIT	1.26	0.51
Net Profit	1.12	0.40
Total Assets	7.68	5.87
Total Equity	3.07	2.75
Debt	4.61	3.12
Net Profit Margin (%)	10.9%	5.8%
CCC (Days)	65	57
ICR (X)	15.75	9.23

Capital Structure
(BDT. in million)



Analysts:

Sazedul Islam
sazedul@wasocreditrating.com

Ummay Fatema
fatema@wasocreditrating.com

SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Ekra Enterprise (hereinafter referred as "EE" 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 mortgage security coverage against loan
- Good business network
- Good interest coverage position

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

- Low disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- Low management information system (MIS) and Manual accounting system
- Highly Levered capital structure
- Rented business premises

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 EE 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.