

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT DANESH AUTO RICE MILL



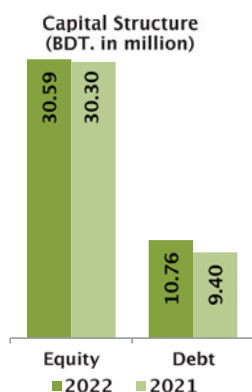
Ref. no: CRAR-6822/2023

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## Key Snapshot:

BDT. in million		
Particulars	2022	2021
Sales	57.50	50.00
EBIT	4.85	4.00
Net Profit	4.24	3.45
Total Assets	41.35	39.70
Total Equity	30.59	30.30
Total debt	10.76	9.40
Net Profit Margin (%)	7.4	6.9
CCC (Days)	79	79
ICR (X)	8.01	7.27



## Analysts:

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	31 October 2023	30 October 2024

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 and Medium Enterprise Three) rating under the SME Rating to Danesh Auto Rice Mill (hereinafter referred as **"DARM"** 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
- Good interest coverage position
- Low levered capital structure

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

- Low disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage
- Manual accounting system

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

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