

5th SURVEILLANCE CREDIT RATING REPORT GALLERY TRADERS



Ref. no.: CRAR-6009/2023

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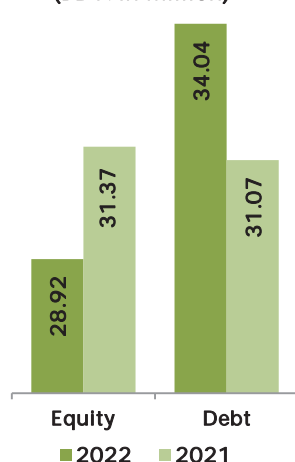
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Key Snapshot:

BDT. in million

Particulars	2021	2022
Revenue	286.20	318.40
EBIT	19.81	18.24
Net Profit	17.01	14.86
Total Assets	55.93	62.96
Total Equity	31.37	28.92
Total debt	31.07	34.04
Net Profit Margin (%)	5.9	4.7
CCC (Days)	54	51
ICR (X)	8.09	6.82

Capital Structure
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	17 October 2023	16 October 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 Gallery Traders (hereinafter referred as "GT" 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:

- Long business experiences of the proprietor in the business
- Good business network
- Good business network
- Owned business premises and storage facility
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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
- Highly levered capital structure
- No insurance coverage for the inventory in stock
- Manual accounting system

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 GT 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.