

2nd SURVEILLANCE CREDIT RATING REPORT MILON TRADERS



Ref. no.: FR/2023/31803

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| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|---------|---------------------|--------------------|
| | WCRSE 3 | Stable | 12 June 2023 | 14 June 2024 |

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

BDT. in million

| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount as on 11.06.2023 |
|---------------------|--------------------|-------------------|-------------------------------------|
| Uttara Bank Limited | CC (H) | 7.50 | 7.86 |

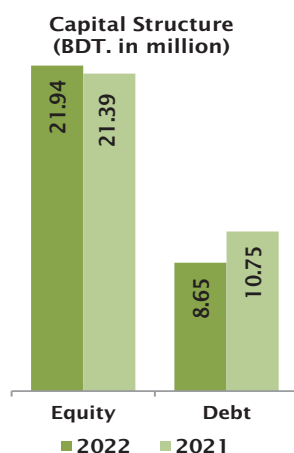
Financial Based on-Management prepared financial statements up to 31st December 2022.

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

Key Snapshot:

BDT. in million

| Particulars | 2022 | 2021 |
|-----------------------|--------|--------|
| Revenue | 155.02 | 147.52 |
| EBIT | 9.40 | 8.87 |
| Net Profit | 8.02 | 7.52 |
| Total Assets | 30.59 | 32.14 |
| Total Equity | 21.94 | 21.39 |
| Total debt | 8.65 | 10.75 |
| Net Profit Margin (%) | 5.2 | 5.1 |
| CCC (Days) | 67 | 68 |
| ICR (X) | 7.52 | 7.10 |



RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Milon Traders (hereinafter referred as "MT" 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
- Good business network
- Low leverage position in the capital structure
- Satisfactory banking relationship
- Comfortable interest coverage position
- Maintained sound business relation with supplier & buyer

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

- Lack of disclosure of financial statements
- Low management information system (MIS) and Manual accounting system
- Tight liquidity position
- No insurance coverage

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 MT will be able to maintain its good fundamentals in the foreseeable future.

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