

2nd SURVEILLANCE CREDIT RATING REPORT MOSTAFA SAW MILL & FURNITURE

Ref. no.: CRAR-2721/2023



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	17 October 2023	16 October 2024

Financial Based on- Management prepared financial statement as on 31 December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed **WCRSME4** (pronounced as WASO Credit Rating Small & Medium Enterprise Four) rating under the SME Rating to **Mostafa Saw Mill & Furniture** (hereinafter referred to as 'MSM&F' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the enterprise which include long experience of The Proprietor, owned warehouses facility, have insurance coverage for the inventory in stock, and good position in value to loan ratio. However, the above factors are constrained to some extent by followed manual accounting procedures, price volatility of trading products, stressed liquidity position due to pile up inventory in stock, using leased land for Saw Mill, and insufficient disclosure in the financial statements.

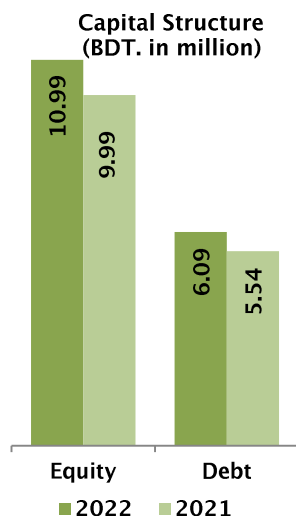
The SME rating implies that Mostafa Saw Mill & Furniture is adjudged to average credit quality.

WCRCL also viewed Mostafa Saw Mill & Furniture with "Stable" outlook and believes that MSM&F 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.

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	67.43	61.30
EBIT	3.89	3.53
Net Profit	3.84	3.49
Total Assets	17.09	15.53
Total Equity	10.99	9.99
Debt	6.09	5.54
Net Profit Margin (%)	5.7%	5.7%
CCC (Days)	14	14
ICR (X)	83.14	83.14



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