

INITIAL CREDIT RATING REPORT N. N. PAPER HOUSE



Ref. no.: FR/2022/28928

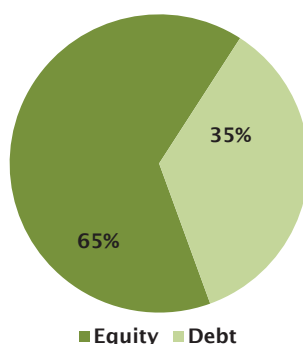
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Key Snapshot:

| BDT. in million | |
|-----------------------|-------|
| Particulars | 2021 |
| Revenue | 89.50 |
| EBIT | 7.05 |
| Net Profit | 6.03 |
| Total Assets | 53.36 |
| Total Equity | 34.51 |
| Debt | 18.85 |
| Net Profit Margin (%) | 6.7 |
| CCC (Days) | 189 |
| ICR (X) | 6.91 |

Capital Structure
(BDT. in million)



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| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|----------|---------------------|--------------------|
| | WCRSE 5 | Negative | 16 January 2023 | 15 January 2024 |

WCRSE 5 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 5' (pronounced as WASO Credit Rating Small Enterprise Five) rating under the SME Rating to N. N. Paper House (hereinafter referred as "NNPH" 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 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:

- Tight liquidity position with long cash conversion cycle
- Have overdue
- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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 "Negative" outlook and believes that NNPH will be able to maintain its good fundamentals in the foreseeable future.