

INITIAL CREDIT RATING REPORT NABA FURNITURE AND ELECTRONICS



Ref. no.: FR/2023/030996

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	07 May 2023	06 May 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 03.04.2023
Islami Bank Bangladesh Limited	Bai Murabaha TR	7.00	7.52

Key Snapshot:

BDT. in million

Particulars	FY22
Revenue	33.71
EBIT	3.62
Net Profit	3.10
Total Assets	33.66
Total Equity	26.57
Debt	7.09
Net Profit Margin (%)	9.2%
CCC (Days)	175
ICR (X)	7.02

Financial Based on-Management prepared financial statements of 2022.

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Naba Furniture and Electronics (hereinafter referred as "NFE" 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

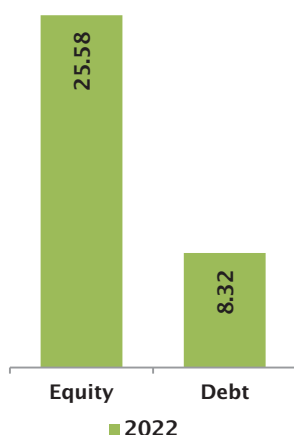
However, the above rating has been moderated to some extent due to some factors like:

- Lack of disclosure of financial statement and miss match in the balance sheet part
- 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 NFE will be able to maintain its good fundamentals in the foreseeable future.

Capital Structure
(BDT. in million)



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