

# 7<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT NAVANA INDUSTRIES LIMITED



Ref. no.: FR/2023/033890

## Report Contents:

Particulars	Page
Rating Rationale	1
Corporate Background	2
Allied Concern	2
Management Evaluation	2
Analysis of Industry Dynamics	3
Business Analysis	4
Financial Strength Analysis	5
Credibility and Banking Relationship	6
Risk Factor Analysis	7
Rating Observations	7

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	26 September 2023	25 September 2024

Tk. in Million

Name of the Bank	Mode of Investment	Sanctioned/ Limit Amount	Outstanding Amount	Date of Outstanding
Mutual Trust Bank Limited	House Building Loan	6.28	1.26	18.09.2023
	CC (Hypo)	47.00	46.97	
	Trust Receipt	23.00	4.87	
	LC	40.00	4.49	

\*These limits are interchangeably used by Navana industries Limited and Golden Agro Chemicals Limited. Aggregated outstanding amount represents the outstanding position for concerns.

## Key Snapshot:

Tk. in million

Particulars	FY23	FY22
Revenue	94.17	97.29
EBIT	11.97	22.28
Net Profit	4.58	16.49
Total Assets	353.94	350.49
Total Equity	278.71	274.12
Debt	75.24	76.37
Net Profit Margin (%)	4.9%	17.0%
CCC (Days)	1,090	1,040
ICR (X)	2.12	4.29

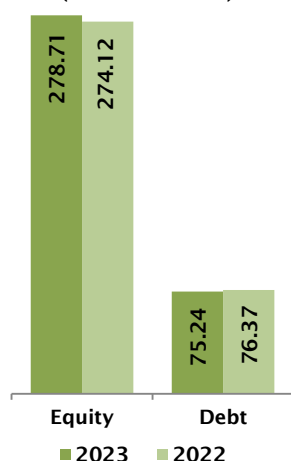
**Financial Based on-** Audited financial statements up to 30 June 2023.

**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://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 Navana Industries Limited (hereinafter referred as "NIL" or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

**Capital Structure  
(BDT. in million)**



The above ratings have been reaffirmed based on the fundamentals of the company which include experienced management, good business network, long operation and profitable concern, covering all over the Bangladesh with many dealers, good market reputation, good relationship with the distributors and 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, decreasing trend in sales and profitability, low discloser of the financial statement, high inventory pile-up affecting working capital and high competition of the market.

The SME rating implies that the Enterprise has Above Average Credit Quality.

## Analysts:

**Ummay Fatema**  
[fatema@wasocreditrating.com](mailto:fatema@wasocreditrating.com)

**Rafiul Bary**  
[rafi@wasocreditrating.com](mailto:rafi@wasocreditrating.com)

WCRCL also viewed the Enterprise with "Stable" outlook and believes that NIL 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.