

2nd SURVEILLANCE CREDIT RATING REPORT NETROKONA TRADERS

Ref. no.: CRAR-5854/2023



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	17 October 2023	16 October 2024

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

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

RATING RATIONALE

WCRCL has reaffirmed **WCRSME3** (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **Netrokona Traders** (hereinafter referred to as 'NT' 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 and active management team, low leverage position, owned showroom with warehouse facility, and good value to loan ratio. However, the above factors are constrained to some extent by manual accounting system, price volatility of trading products, lack of disclosure in the financial statements, and no insurance coverage for the inventory in stock.

The SME rating implies that Netrokona Traders is adjudged to above average credit quality.

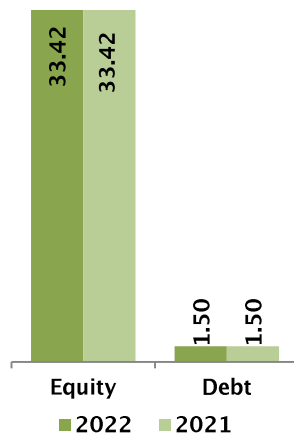
WCRCL also viewed Netrokona Traders with "Stable" outlook and believes that the enterprise will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	235.00	196.00
EBIT	17.81	15.47
Net Profit	16.97	14.91
Total Assets	34.92	34.92
Total Equity	33.42	33.42
Debt	1.50	1.50
Net Profit Margin (%)	7.2%	7.6%
CCC (Days)	43	48
ICR (X)	84.81	103.11

Capital Structure (BDT. in million)



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