

4th SURVEILLANCE CREDIT RATING REPORT NIHAL ENTERPRISE

Ref. no.: FR/2023/032554



Report Contents:

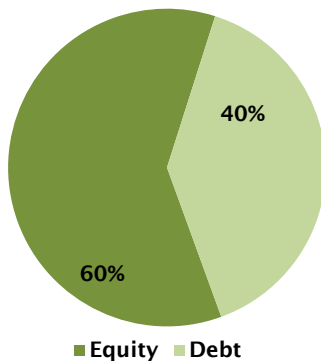
Particulars	Page
Rating Rationale	1
Business Profile	
Proprietor's Profile	2
Management Evaluation	
Business Analysis	3
Financial Analysis	
Banking Position Analysis	4
Risk Factors Analysis	
Rating Observations	5

Key Snapshots:

Tk. in Million

Particulars	2022	2021
Revenue	119.54	103.95
EBIT	12.29	10.56
Net Profit	10.95	9.34
Total Assets	22.19	20.67
Total Equity	13.42	12.62
Debt	8.77	8.05
Net Profit Margin (%)	9.2%	9.0%
CCC (Days)	54.00	60.00
ICR (X)	9.39	8.88

Capital Structure
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

WCRSME3 rating is equivalent to Bangladesh Bank SME rating scale of SME3 under BRPD circular number BRPD (BIC) 661/14B (P)/2014/2093.

Financial Based on: Unaudited financial statements for 2021 & 2022.

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

RATING RATIONALE

WCRCL has reaffirmed **WCRSME3** (Pronounced WASO Credit Rating Small & Medium Enterprise Three) rating to **Nihal Enterprise** (hereinafter referred to as 'NE' or 'The enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the enterprise.

The above rating has been assigned based on established business along with large area coverage, experienced management team, own capital involved concern, unlevered concern, having own transportation system, positive FFO, ready succession and maintained sound relation with supplier & buyer etc. However, the above factors are constrained to some extent by tight liquidity position, poor disclosures in unaudited financial statements, seasonality effect of the traded items, extensive competition to the market and no insurance coverage etc.

The SME rating implies that the enterprise is adjudged to Above average credit quality.

WCRCL also viewed the enterprise with Stable outlook and believes that NE 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.