

1st SURVEILLANCE CREDIT RATING REPORT NURUL ISLAM & SONS



Ref. no.: FR/2023/033903

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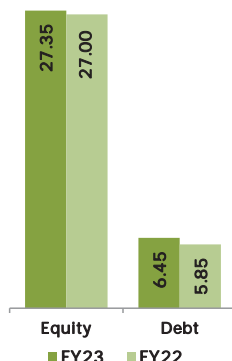
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Key Snapshot:

BDT. In million

Particulars	FY23	FY22
Revenue	46.50	43.00
EBIT	4.61	4.25
Net Profit	4.19	3.73
Total Assets	33.80	32.85
Total Equity	27.35	27.00
Debt	6.45	5.85
Net Profit Margin (%)	9.0	8.7
CCC (Days)	207	222
ICR (X)	11.55	8.50

Capital Structure
(BDT. In million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	26 September 2023	18 September 2024

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 and Medium Enterprise Three) rating under the SME Rating to Nurul Islam & Sons (hereinafter referred as "NIS" 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:

- Long business experiences of the proprietor in the business
- Good business network
- Low levered capital structure
- Good profitability structure
- Comfortable interest coverage position
- Satisfactory banking relationship

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

- Low disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

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 NIS 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.