

3rd SURVEILLANCE CREDIT RATING REPORT NUSRAT ENTERPRISE



Ref. no.: FR/2023/032977

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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC(H)	8.00	8.58	30.06.2023

BDT. in million

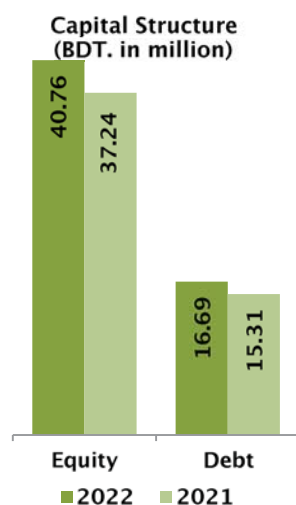
Financial Based on—management prepared financial statements for 31st December 2022.

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

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	175.42	152.54
EBIT	9.32	7.51
Net Profit	7.58	5.93
Total Assets	57.45	52.55
Total Equity	40.76	37.24
Debt	16.69	15.31
Net Profit Margin (%)	4.3	3.9
CCC (Days)	104	114
ICR (X)	5.48	4.86



RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Nusrat Enterprise (hereinafter referred as "NE" 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
- Owned business premises and storage facility
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship

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

- Lack of disclosure in the financial statements
- Inventory holding risk
- Tight liquidity position considering 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 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.

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