

4th SURVEILLANCE CREDIT RATING REPORT PALASH ENTERPRISE

Ref. no.: FR/2023/33380

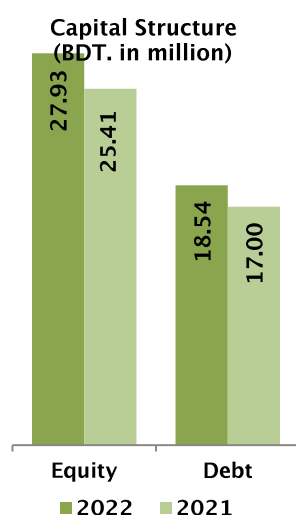


Report Contents:

Particulars	Page
Rating Rationale	1
Business Profile	2
Proprietor's Profile	3
Management's Profile	4
Business Analysis	5
Financial Analysis	6
Banking Position Analysis	7
Risk Factors Analysis	8
Rating Observations	9

Key Snapshot:

Tk. in Million		
Particulars	2022	2021
Revenue	77.94	67.78
EBIT	12.30	10.50
Net Profit	10.65	9.00
Total Assets	46.47	42.41
Total Equity	27.93	25.41
Debt	18.54	17.00
Net Profit Margin (%)	13.7%	13.3%
CCC (Days)	163	191
ICR (X)	7.45	7.00



Analysts:

Nazrul Islam
nazrul@wasocreditrating.com

Monira Islam
monira@wasocreditrating.com

SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	04 July 2023	03 July 2024

Tk. in Million				
Bank	Facility	Limit Amount	Outstanding Amount	Outstanding Date
Uttara Bank Limited	CC (Hypo)	10.00	9.51	30.05.2023
Total		10.00	9.51	

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

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

RATING RATIONALE

WCRCL has reaffirmed **WCRSME4** (Pronounced WASO Credit Rating Small & Medium Enterprise Four) rating to **Palash Enterprise** (hereinafter referred to as 'PE' 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 long experience of the Promoter helps to form stronger relationship with suppliers, customers and lenders, satisfactory coverage position of the concern, low levered concern, comfortable interest coverage position etc. However, the above factors are constrained to some extent by poor disclosure in financial statements, risk associated with procurement of products, small scales of operation, high competitive intensity of the traded products and liquidity of the firm was in stressed position due to payment nature of the customers.

The rating implies that the enterprise has an average credit quality.

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