

3rd SURVEILLANCE CREDIT RATING REPORT

PALASH RICE MILL

Ref. no.: FR/2023/33265

**Report Contents:**

Particulars	Page
Rating Rationale	01
Owners Profile	02
Business Management	02
Business Analysis	02
Financial Position Analysis	03
Banking Relationship	04
Risk Factor Analysis	04
Rating Observation	05

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	30 August 2023	29 August 2024

Financial Based on- Unaudited 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 and Medium Enterprise Three) rating under the SME Rating to **Palash Rice Mill** (hereinafter referred to as '**PRM**' or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above rating has been assigned based on the fundamentals of the enterprise which experienced and skilled Management, good infrastructural arrangement, owner of the Business has long business track record, low leverage position in the capital structure, moderate coverage position, own factory land and godown. However, the above factors are constrained to some extent by average disclosure in the audited financial statements, semi-auto rice mill and small production capacity, manual accounting process, dependency on bank loan for working capital, tight liquidity position and no insurance coverage.

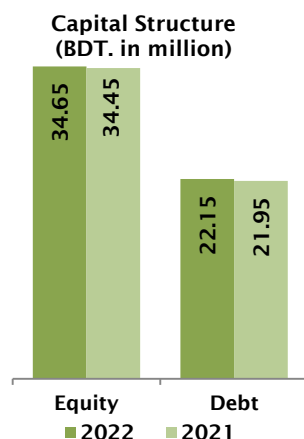
The SME rating implies that the Enterprise has above Average Credit Quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that **PRM** 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:

Tk. in million

Particulars	2022	2021
Revenue	57.00	56.00
EBIT	8.09	7.69
Net Profit	6.42	6.02
Total Assets	56.80	56.40
Total Equity	34.65	34.45
Debt	22.15	21.95
Net Profit Margin (%)	11.3%	10.7%
CCC (Days)	239	241
ICR (X)	5.06	4.81

**Analysts:**

Juthi Khanum
juthi@wasocreditrating.com

Ummay Fatema
fatema@wasocreditrating.com