

2nd SURVEILLANCE CREDIT RATING REPORT RONY ENTERPRISE



Ref. no.: FR/2023/031125

Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Risk Factor Analysis	4
Rating Observation	4

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	07 May 2023	11 May 2024

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Islami Bank Bangladesh Limited	Composite Facility	6.00	2.76	23.03.2023

BDT. In Million

Key Snapshot:

BDT. In Million

Particulars	2021	2022
Revenue	68.91	71.56
EBIT	4.95	6.23
Net Profit	4.87	5.42
Total Assets	41.23	42.87
Total Equity	38.55	39.98
Debt	2.68	2.88
Net Profit Margin (%)	7.1	7.6
CCC (Days)	89	93
ICR (X)	76.82	7.83

Financial Based on—Audited financial statements for 31st December 2020-2022.

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

RATING RATIONALE

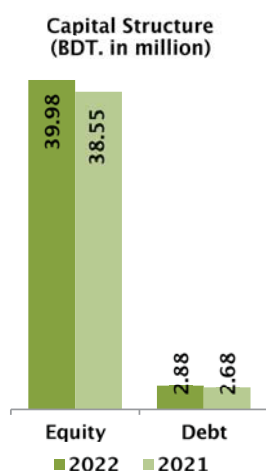
WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Rony Enterprise (hereinafter referred as "RE" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good business network
- Owned business premises and storage facility
- Good banking relationship
- Good interest coverage position
- Low levered capital structure

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

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage
- Low management information system (MIS) and Manual accounting system



Analysts:

Mst. Irin Akter
irin@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that RE will be able to maintain its good fundamentals in the foreseeable future.