

2nd SURVEILLANCE CREDIT RATING REPORT TUNGIPARA EXPRESS



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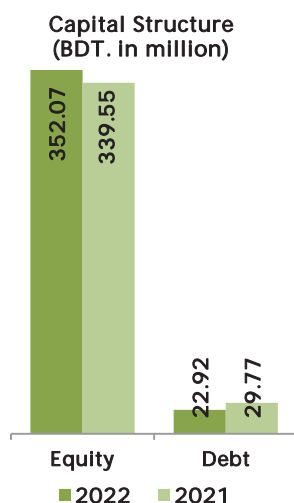
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Key Snapshot:

BDT. In Million

Particulars	2021	2022
Revenue	612.36	615.44
EBIT	47.16	43.73
Net Profit	39.55	35.70
Total Assets	363.04	375.00
Total Equity	339.55	352.07
Debt	29.77	22.92
Net Profit Margin (%)	6.5	5.8
CCC (Days)	70	132
ICR (X)	18.06	17.25



Analysts:

Mst. Irin Akter
irin@wasocreditrating.com

Monira Islam
monira@wasocreditrating.com

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	30 August 2023	14 June 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Standard Bank Limited	Bai-Muajjal (Gen.)	10.00	9.79	22.08.2023
	Term Loan	30.00	7.35	
	Total	40.00	17.14	

Note: According to Sanction letter, the enterprise has a sister concern namely Karim Motors And R & S Rice Mills, which is enjoying the Bai-Muajjal (Gen.) limit of BDT. 15.00 million & Bai-Muajjal (Gen.) limit of BDT. 10.58 million, against outstanding amount at BDT. 6.01 million & BDT. 8.60 million as on 22.08.2023.

Financial Based on- unaudited financial statements up to 31st 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 Tungipara Express (hereinafter referred as "TE" 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
- Satisfactory banking relationship
- Strong brand image "Tungipara Express"
- Low levered capital structure
- Good interest coverage position
- Most transactions are in cash

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

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