

2nd SURVEILLANCE CREDIT RATING REPORT ZAZIRA HARDWARE



Ref. no.: FR/2023/32815

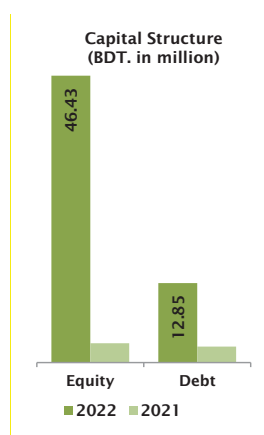
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	6.67	5.80
EBIT	0.88	0.75
Net Profit	0.74	0.62
Total Assets	59.28	5.21
Total Equity	46.43	3.12
Total debt	12.85	2.57
Net Profit Margin (%)	11.1	10.7
CCC (Days)	1,267	209
ICR (X)	6.36	5.94



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	25 June 2023	24 June 2024

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (H)	1.40	1.39	24.07.2023

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 Zazira Hardware (hereinafter referred as "ZH" 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 proprietor
- Satisfactory banking relationship
- Good business network
- Good interest coverage position
- Low levered capital structure

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

- Low interest coverage ratio
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system.

The SME rating implies that the enterprise has **above average credit quality**.

WCRCL also viewed the enterprise with "Stable" outlook and believes that ZH 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.