

# SURVEILLANCE CREDIT RATING REPORT ZIPA TRADING



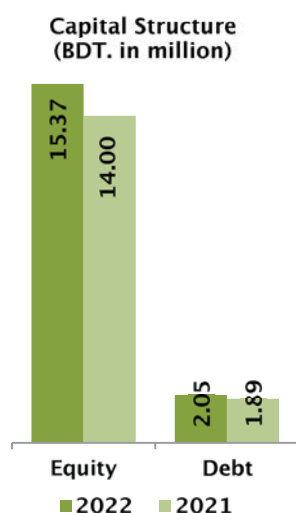
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## Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	20.46	17.80
EBIT	4.79	3.98
Net Profit	4.72	3.92
Total Assets	17.42	15.89
Total Equity	15.37	14.00
Total debt	2.05	1.89
Net Profit Margin (%)	23.1%	22.0%
CCC (Days)	249	285
ICR (X)	67.03	61.29



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	07 May 2023	03 April 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

BDT. in million				
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Shahjalal Islami Bank Limited	BMC TR (R)	1.50	1.549	04.04.2023
	BMC TR One off	0.30	0.22	
<b>Total</b>		<b>1.80</b>	<b>1.769</b>	

*Financial Based on—unaudited financial statements up to 31 December 2021.*

*Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)*

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Zipa Trading (hereinafter referred as "ZT" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- 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:

- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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 ZT will be able to maintain its good fundamentals in the foreseeable future.