

2nd SURVEILLANCE CREDIT RATING REPORT NAZMUL STORE AND RICE AGENCY

Ref. no.: CRAR-7954/2023



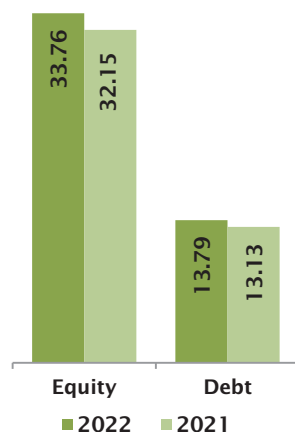
Report Contents:

| Particulars | Page |
|-----------------------------|------|
| Rating Rationale | 1 |
| Entity Profile | 2 |
| Business Management | 2 |
| Business Analysis | 2 |
| Financial Position Analysis | 3 |
| Banking Relationship | 4 |
| Risk Factor Analysis | 4 |
| Rating Observation | 5 |

Key Snapshot:

| BDT. in million | | |
|-----------------------|-------|-------|
| Particulars | 2022 | 2021 |
| Revenue | 54.73 | 52.12 |
| EBIT | 8.91 | 5.63 |
| Net Profit | 8.39 | 5.14 |
| Total Assets | 47.55 | 45.28 |
| Total Equity | 33.76 | 32.15 |
| Total debt | 13.79 | 13.13 |
| Net Profit Margin (%) | 15.3% | 9.9% |
| CCC (Days) | 264 | 264 |
| ICR (X) | 17.36 | 11.51 |

Capital Structure
(BDT. in million)



Analysts:

Sazedul Islam
sazedul@wasocreditrating.com

Rifat Ahmed
rifat@wasocreditrating.com

| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
| | WCRSME3 | Stable | 23 November 2023 | 22 November 2024 |

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 **Nazmul Store And Rice Agency** (hereinafter referred as "NSARA" 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
- Regular loan repayment history
- Long experience track of the proprietor
- 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
- Rented business premises and storage facility
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system
- No Transport Facility
- 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 **NSARA** 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.