

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT OSAN BUILDERS



Ref. no.: FR/2023/34144

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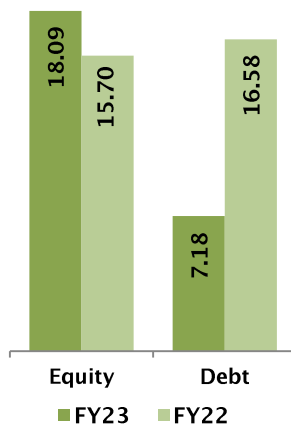
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## Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	67.25	64.05
EBIT	6.67	5.53
Net Profit	5.38	4.13
Total Assets	25.27	32.29
Total Equity	18.09	15.70
Total debt	7.18	16.58
Net Profit Margin (%)	8.0	6.4
CCC (Days)	111	119
ICR (X)	7.20	5.31

### Capital Structure (BDT. in million)



## Analysts:

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	11 October 2022	10 October 21023

*Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://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 Osan Builders (hereinafter referred as "OB" 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Low levered capital structure
- Comfortable interest coverage position

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

- Tight liquidity position with long cash conversion cycle
- Lack of disclosure in the 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 OB 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.