

# 3<sup>rd</sup> SURVEILLANCE CREDIT RATING REPORT PAVEL ENTERPRISE



Ref. no.: FR/2023/034109

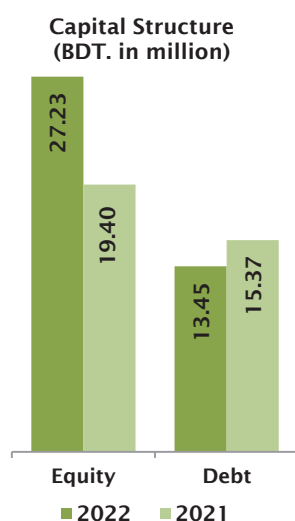
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## Key Snapshot:

Tk. In Million

| Particulars           | 2022   | 2021  |
|-----------------------|--------|-------|
| Revenue               | 65.80  | 78.75 |
| EBIT                  | 5.06   | 3.57  |
| Net Profit            | 3.50   | 2.09  |
| Total Assets          | 40.68  | 34.78 |
| Total Equity          | 27.23  | 19.40 |
| Debt                  | 13.45  | 15.37 |
| Net Profit Margin (%) | 5.3%   | 2.7%  |
| CCC (Days)            | 167.91 | 146.6 |
| ICR (X)               | 4.55   | 3.17  |
| Revenue               | 65.80  | 78.75 |



## Analysts:

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| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|---------|---------------------|--------------------|
|            | WCRSME4     | Stable  | 03 October 2023     | 02 October 2024    |

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 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 |
|-----------------------|--------------------|-------------------|--------------------|---------------------|
| Standard Bank Limited | CC (Hypo)          | 12.50             | 15.90              | 26.09.2023          |

Financial Based on-Unaudited financial statements up to 31 December 2022.

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME4' (pronounced as WASO Credit Rating Small and Medium Enterprise Four) rating under the SME Rating to **Pavel Enterprise** (hereinafter referred as "PE" 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:

- Good business network
- Experienced of the Proprietor
- Good personal net worth of the Proprietor
- Low levered capital structure
- Good interest coverage position
- Comfortable security arrangement against loan
- Satisfactory banking relationship

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

- No disclosure of financial statements
- Market saturation or high competition
- Tight liquidity position with long cash conversion cycle
- Price volatility of the products
- Proprietorship concern has low legal obligation as an entity

The SME rating implies that the enterprise is adjudged to average credit quality.

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