

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT PROGOTI CAR DECORATION



Ref. no.: CRAR-5032/2023

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	14 November 2023	13 November 2024

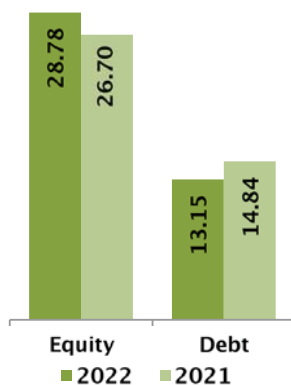
Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com) Tk. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
	CC (Hypo)	13.00	13.56	
Uttara Bank PLC	LC	5.00	-	03.08.2023
	PIF	2.00		

## Key Snapshot:

Particulars	2022	2021
Revenue	40.00	32.02
EBIT	2.53	4.55
Net Profit	2.42	4.40
Total Assets	41.93	41.55
Total Equity	28.78	26.70
Total debt	13.15	14.84
Net Profit Margin (%)	6.0	13.7
CCC (Days)	339	485
ICR (X)	22.95	34.04

Capital Structure  
(BDT. in million)



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## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Progoti Car Decoration** (hereinafter referred as "PCD" 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 reaffirmed based on the fundamentals of the enterprise which includes:

- 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 has **above average credit quality**.

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