

INITIAL CREDIT RATING REPORT
ANANDA BHANDER



Ref. no.: CRAR-19190/2024

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	01 February 2024	31 January 2025

Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Ananda Bhandar (hereinafter referred as "AB" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

BDT. In Million

Particulars	FY23	FY22
Revenue	40.25	35.00
EBIT	3.69	3.05
Net Profit	3.17	2.57
Total Assets	18.46	18.17
Total Equity	13.43	13.55
Total debt	5.04	4.62
Net Profit Margin (%)	7.9	7.3
CCC (Days)	93	102
ICR (X)	9.36	8.52

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Long business experiences of the proprietor in the business
- Good business network
- Owned business premises and storage facility
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- No disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- 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 AB 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 changes in any macro and micro factors in the economy.

Analysts:

Nazrul Islam
Nazrul@wasocreditrating.com

Ummay Fatema
fatema@wasocreditrating.com