

INITIAL CREDIT RATING REPORT
EGAROSINDUR COLD STORAGE LIMITED



Ref. no.: CRAR-18438/2023

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME5	Negative	21 November 2023	20 November 2024

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

RATING RATIONALE

WCRCL has assigned 'WCRSME5' (pronounced as WASO Credit Rating Small and Medium Enterprise Five) rating under the SME Rating to Egarosindur Cold Storage Limited (hereinafter referred as "ECSL" or "The Company") 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	146.07	265.58
EBIT	5.60	15.42
Net Profit	1.61	6.52
Total Assets	412.00	498.82
Total Equity	103.47	101.86
Total debt	308.52	396.96
Net Profit Margin (%)	1.1%	2.5%
CCC (Days)	144.16	133.02
Current Ratio (X)	0.76	0.17
Debt to Equity (X)	3.90	2.98
ICR (X)	1.73	2.64

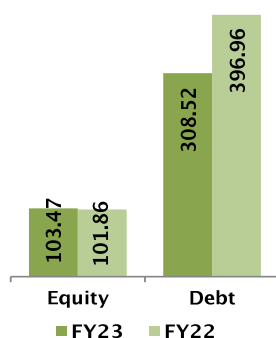
The above rating has been assigned based on the fundamentals of the company which includes experienced and skilled management, good business network, owned business premises and storage facility, diversified sources of revenue, equipped with power back up and positive business trends

However, the above rating has been moderated to some extent due to some factors like Semi-perishable product High working capital requirement, exposed to quality control risk Insufficient data of financial statements, no insurance coverage for the inventory in stock, poor banking conduct with overdue, unstructured record keeping system and highly levered capital structure.

The SME rating implies that the company has slightly below average credit quality.

WCRCL also viewed the company with "Negative" outlook and believes that ECSL 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.

Capital Structure (BDT. in million)



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