



**ARGUS CREDIT RATING SERVICES LTD.
(ACRSL)**

Credit Rating Report

World Business

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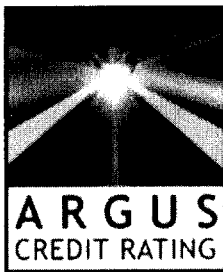
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(ACRSL10024/12)

Company Name: World Business

Rating Summary

Credit Rating	Current	Previous
Long-Term	BB	N/A
Short-Term	ST-5	N/A
Date	28 Feb 2012	N/A

Rating Explanation

Rating	Explanation
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BB This category for an institution is considered to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time, it is considered speculative and weak capacity and is subject to high credit risk.

ST-5 Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.

WB ACTIVITY

Air-Conditioner Import, Sales, Distribution and Maintenance Service

INCORPORATED ON

26 Aug 2008

CHAIRMAN

[Chairman]

MANAGING DIRECTOR

[Managing Director]

TOTAL ASSETS

80.64

TOTAL EQUITY

54.11

HEAD OFFICE

House# 14, Road# 107, Gulshan-2, Dhaka-1212

MAJOR RATING CONSIDERATION:

Strengths:

- **World Business's captive corporate customer base, which creates strong business prospect for the company, but will require investments in working capital.** World Business had strong brand loyalty and large corporate customer base. This strong corporate customer base is likely to catalyze the business recovery of WB. However, in order to capture this opportunity the company needs to strengthen its working capital financing.
- **World Business's proprietor has strong land holding and real estate properties, providing financial flexibility.** The total market value of registered mortgaged properties of WB is BDT 87.6 MN. This high asset base contributes to WB's financial flexibility and a strong support in case of financial stress.

Concerns:

- **World Business has a vulnerable credit repayment history,** as it has often exceeded their Over draft facility limit, which is reflected in increase in outstanding short-term debt from BDT 25.0 MN in FY08 to BDT 42.7 MN in FY10.
- **ACRSL has concerns regarding the transition of the business from partnership to sole proprietorship,** after the splitting of the original partnership, World Business is now faced with post-transitional challenges, including financial and operational overhaul.
- **Macroeconomic risks are becoming more pronounced in CY12 and may affect World Business adversely.** Taka devaluation against US dollar and