

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

Credit Rating Report

Monowara Traders

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Authorized Signature:

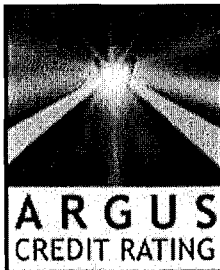
Name:

Designation:

Date:

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Ref No : ACRSL37295/24
Company Name : Monowara Traders (MT)
Assigned Ticker : MonowaraTraders
Activity : Real Estate Miscellaneous, Manufacturing
Incorporated On : 22 Jul 2015
Head Office : A/58, Mohakhali Bazar, Mohakhali, Dhaka, Bangladesh

Rating Type : SME / Entity
Rating Validity : 15 May 2025
Nature of Rating : Surveillance
Outlook : Stable
Analyst(s) : ACRSL Analyst Team
Committee(s) : ACRSL Rating Committees

Rating Summary

Credit Rating	Current	Previous
SME	AQSE-3	AQSE-3
Publishing Date	16 May 2024	11 May 2023

Rating Explanation

Rating	Explanation
AQSE-3	ARGUS Quantitative Small Enterprise-3 is a High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.

Rating Validity: This validity assumes no additional loan over that disclosed in FY23 [Ending June 30] audited/management certified balance sheet and that management has disclosed all material & adverse to financials since FY22.


Khan Md. Abdul Wahab, FCMA
Chief Executive Officer
ARGUS Credit Rating Services Ltd.

1 CORPORATE PROFILE

1.1 COMPANY DESCRIPTION

History: Monowara Traders was licensed as a proprietorship business. The business is solely managed and owned by Mr. Md. Morshad Alam and he is the proprietor of this business. Monowara Traders is engaged in trading of hardware items.

Financial Base: At the end of FY23, Monowara Traders, Total Assets stood at BDT 78.04 MN, Equity at BDT 72.20 MN, Revenue at BDT 9.27 MN, Net Profit After Tax at BDT 0.97 MN.

Special note: At the time of publication of this credit rating report by ARGUS Credit Rating Service Limited (ACRSL), management certified financial statements of FY23 (ending June,30) were available, projections for FY24 and FY25 were arrived after taking into consideration the subsequent events up to the date of reporting, management feedback, and industry insights.

1.2 OWNERSHIP STRUCTURE

The Proprietor of Monowara Traders is Mr. Md. Morshad Alam and he has vast experience in related business and is a successful business person. The overall business of the traders is managed and looked after by him with the help of efficient staffs.

Table 1 Nature of Ownership/Directors' Shareholding Percentage


Designation	Name	Shares
Proprietor	Mr. Md. Morshad Alam	100.00%

1.3 OPERATIONS

Head Office: A/58, Mohakhali Bazar, Mohakhali, Dhaka, Bangladesh.

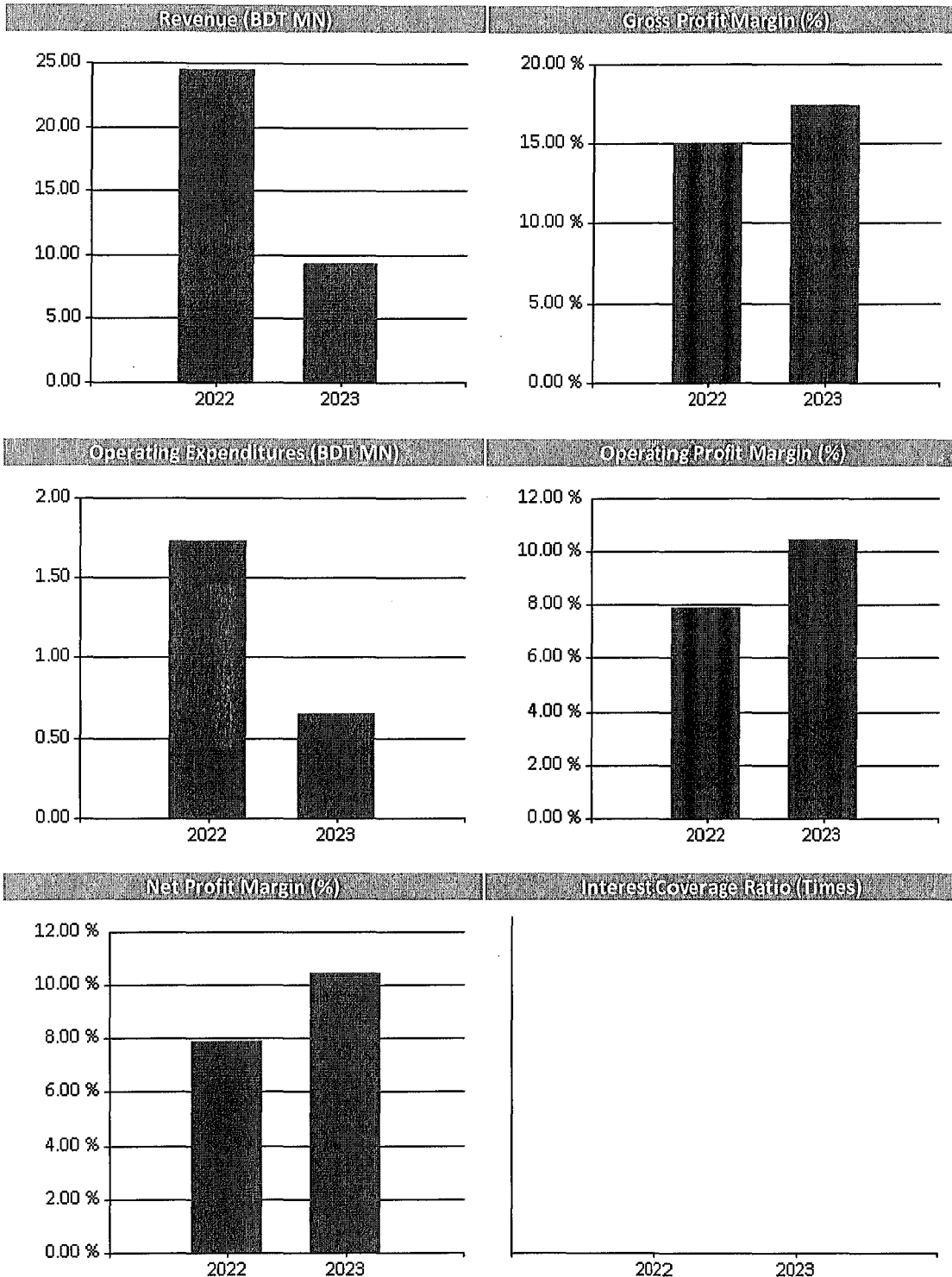
1.4 PRODUCTS AND SERVICES

Monowara Traders is engaged in trading of hardware items.



2 CHARTS

2.1 INCOME STATEMENT CHARTS

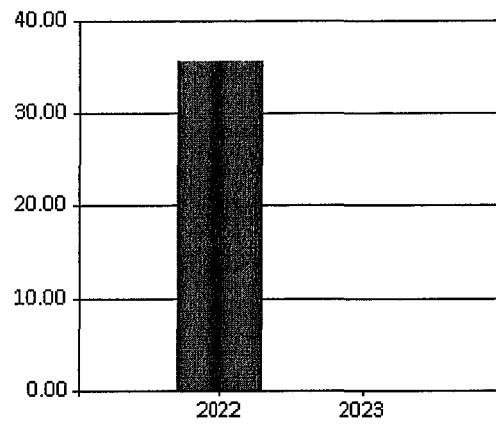
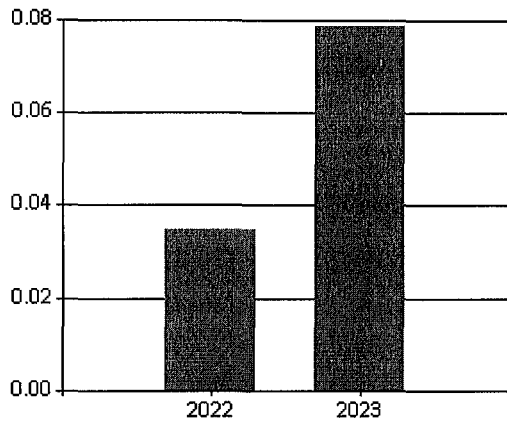


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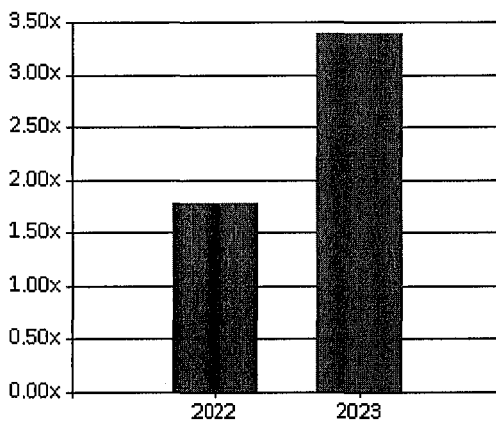
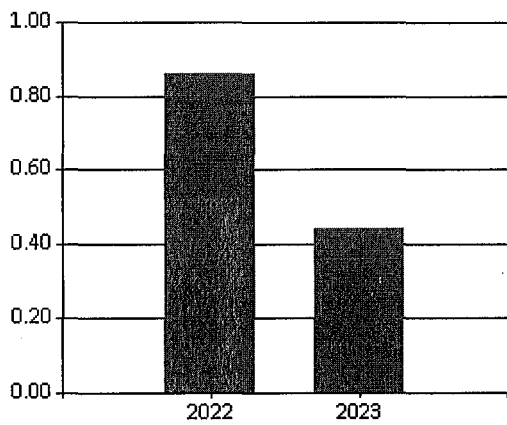


2.2 BALANCE SHEET CHARTS

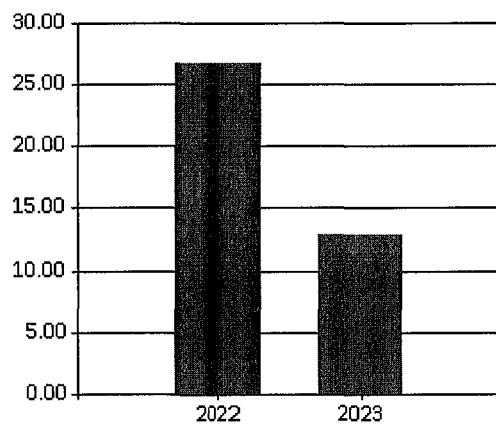
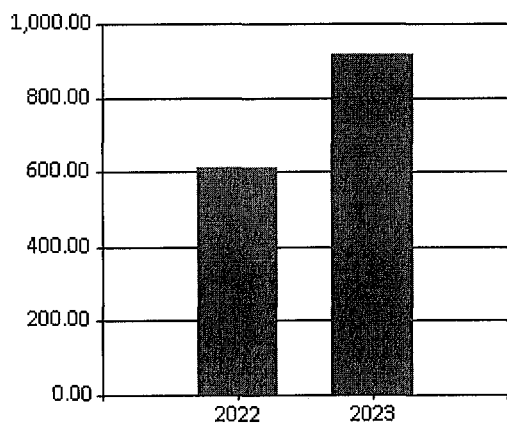
Debt To Equity (Times) Accounts Payable Turnover (Times)



Accounts Receivable Turnover (Times) Inventory Turnover (Times)



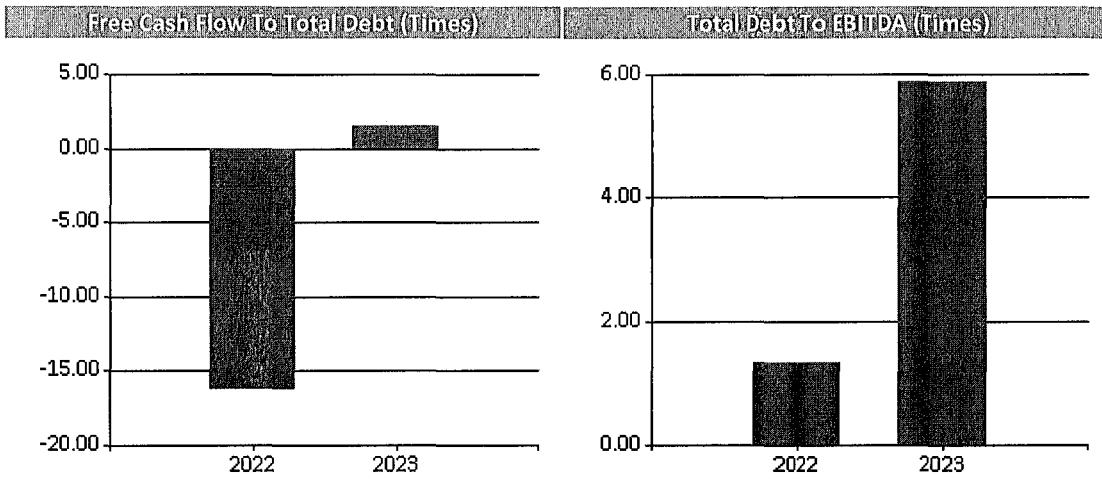
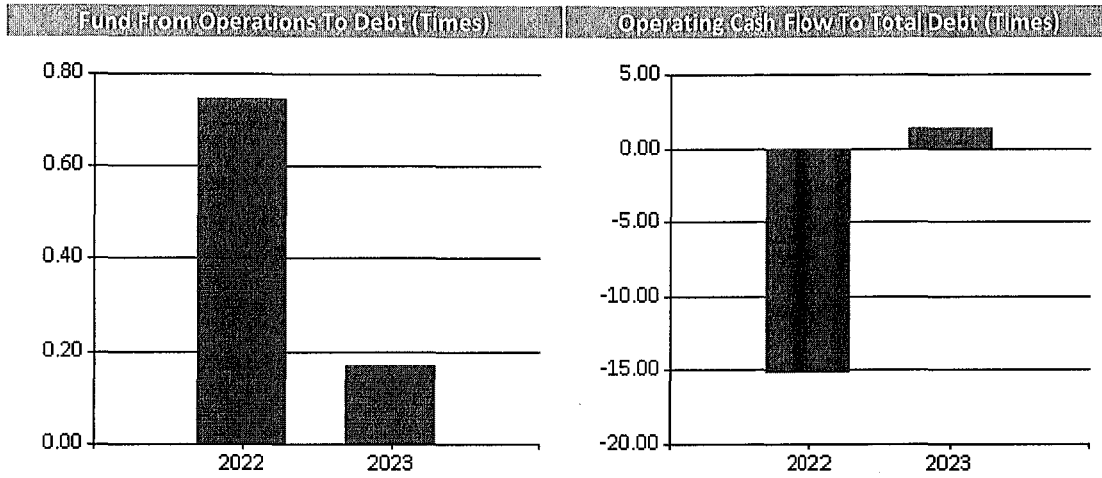
Cash Conversion Cycle (Days) Current Ratio (Times)



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2.3 CASH FLOW ADEQUACY CHARTS



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APPENDIX A: SUMMARY OF FINANCIAL METRICS

Balance Sheet Metrics (BDT in MN)	FY22	FY23
Cash & Equivalent	32.75	41.07
Trade Receivable	41.51	0.37
Inventories	0.00	4.51
Total Current Assets	74.26	75.53
Investments	0.00	0.00
Fixed Assets (At cost less Depreciation)	2.92	2.51
Total Non-Current Assets	2.92	2.51
Total Assets	77.18	78.04
Payable and Accrued Expenses	0.00	0.00
Other Current Liabilities	0.17	0.15
Short Term Debt	2.60	5.70
Total Current Liabilities	2.77	5.84
Long Term Debt	0.00	0.00
Other Non-Current Liabilities	0.00	0.00
Total Non-Current Liabilities	0.00	0.00
Total Liabilities	2.77	5.84
Issued, Subscribed & Paid Up Capital	74.41	72.20
Retained Earnings	0.00	0.00
Reserves & Surplus	0.00	0.00
Total Shareholders' Equity	74.41	72.20
Total Shareholders' Equity & Liabilities	77.18	78.04
Income Statement Metrics (BDT in MN)	FY22	FY23
Revenue/Sales/Turnover	24.42	9.27
Cost of Revenue/ Cost of Goods Sold	20.76	7.65
Gross Profit (Loss)	3.66	1.62
Operating Expenses	1.73	0.65
Operating Profit	1.93	0.97
Financial Expense/ Interest Expense	0.00	0.00
Net Profit before WPPF	1.93	0.97
Other Expense	0.00	0.00
Net Profit Before Tax	1.93	0.97
Provision for Tax	0.00	0.00
Net Profit After Tax	1.93	0.97
Cash Flow Metrics (BDT in MN)	FY22	FY23
Net Cash from Operating Activities	-39.40	8.00
Net Cash from Investing Activities	-2.92	0.41
Net Cash from Financing Activities	75.08	-0.09
Increase/(Decrease) in Cash and Cash Equivalents	32.75	8.33
Cash and Cash Equivalents at the Opening	0.00	32.75
Cash and Cash Equivalents at the Closing	32.75	41.07

Source: MT's Financial Statements from FY22-FY23


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APPENDIX B: SUMMARY OF ANALYTICS

Indicators	FY22	FY23
Revenue Growth	-69.01%	-62.04%
Gross Profit Margin	15.00%	17.45%
Operating Profit Margin	7.92%	10.46%
Net Profit Margin	7.92%	10.46%
Interest Coverage Ratio	0.00x	0.00x
ROA	3.10%	1.25%
ROE	3.40%	1.32%
Debt to Equity Ratio	0.03x	0.08x
Accounts Payable Turnover	35.56x	0.00x
Accounts Receivable Turnover	0.86x	0.44x
Inventory Turnover Ratio	1.78x	3.39x
Current Ratio	26.80x	12.92x
Cash Conversion Cycle(Days)	611	919
Fund from Operations/Total Debt	0.74x	0.17x
Operating Cash Flow/Total Debt	-15.17x	1.40x
Free Cash Flow/Total Debt	-16.30x	1.48x
Total Debt/EBITDA	1.34x	5.88x

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APPENDIX C: SME RATING DETAILS

ACRSL SME RATING

Rating	Definition
AQSE-1 (Highest Grade)	ARGUS Quantitative Small Enterprise-1 is the Highest rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates the obligor, relative to other small enterprises, has exceptionally strong capacity to meet its financial obligations and it is highly unlikely that this capacity will be impacted adversely by foreseeable events.
AQSE-2 (High Grade)	ARGUS Quantitative Small Enterprise-2 is a Very High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has very strong capacity to meet its financial obligations and it is unlikely that this capacity will be impacted adversely by foreseeable events.
AQSE-3 (Good Grade)	ARGUS Quantitative Small Enterprise-3 is a High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.
AQSE-4 (Satisfactory Grade)	ARGUS Quantitative Small Enterprise-4 is a Good rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has adequate capacity to meet its financial obligations but this capacity remains more vulnerable to adverse economic conditions.
AQSE-5 (Non-Investment Grade)	ARGUS Quantitative Small Enterprise-5 is a Non-Investment rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has weak capacity and may rely on alternative sources to meet its financial obligations, and is substantially vulnerable to adverse economic conditions that may impair ability to meet such obligations in the future.
AQSE-6 (Highly vulnerable)	ARGUS Quantitative Small Enterprise-6 is a Highly Vulnerable rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates the obligor is near to default and the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve.
AQSE-7 (Imminent Default)	ARGUS Quantitative Small Enterprise-7 is an Imminent default rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates The obligor is either currently in default or expected to be in default with high probability. The obligor with this rating is unlikely to meet maturing financial obligations.
AQSE-8 (Default Grade)	ARGUS Quantitative Small Enterprise-8 is a Default rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor already failed to meet its financial obligations and may have entered bankruptcy proceedings.

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