

CREDIT RATING REPORT SAFE BIO PRODUCT LIMITED



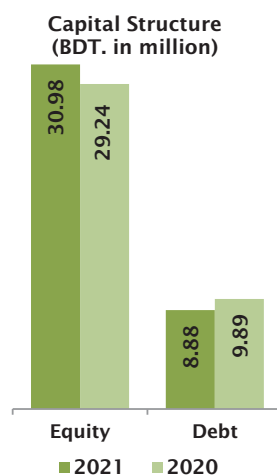
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Key Snapshot:

BDT. in million		
Particulars	2021	2020
Revenue	48.00	44.68
EBIT	10.68	9.89
Net Profit	9.98	9.24
Total Assets	39.86	39.13
Total Equity	30.98	29.24
Total debt	8.88	9.89
Net Profit Margin (%)	20.8%	20.7%
CCC (Days)	312	324
ICR (X)	15.26	15.21



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	29 June 2022	28 June 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

RATING RATIONALE

WCRCL has assigned **‘WCRSE 3’** (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Safe Bio Product Limited** (hereinafter referred as “SBPL” or “The Company”) based on its financial and other relevant qualitative and quantitative information up to the date of the rating issuance.

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

- Skilled and proactive directors and management
- Maintained sound relation with supplier & buyer
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- 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
- No insurance coverage
- Lack of proper information
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the company is adjudged to **above average level** of credit worthiness in relation to other small enterprises.

WCRCL also viewed the company with “Stable” outlook and believes that SBPL will be able to maintain its good fundamentals in the foreseeable future.