

CREDIT RATING REPORT SIMRA AGRO



Ref. no.: FR/2022/25912

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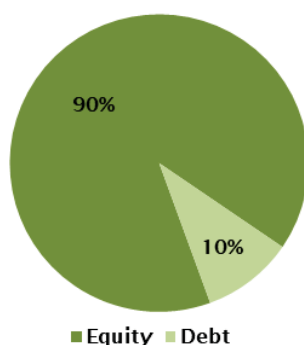
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Key Snapshot:

BDT. in million

Particulars	FY21	FY20
Revenue	146.92	81.65
EBIT	14.87	8.18
Net Profit	12.91	7.24
Total Assets	146.07	131.51
Total Equity	131.60	119.09
Total debt	14.47	12.42
Net Profit Margin (%)	8.8%	8.9%
CCC (Days)	59	77
ICR (X)	772.35	1,486

Capital Structure
(BDT. in million)



Analysts:

Moni Khondoker
moni@wasocreditrating.com

Maharan Nasrin
maharan@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRME 2	Stable	19 September 2022	18 September 2023

WCRME 2 rating is equivalent to Bangladesh Bank SME rating scale of SME 2 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 'WCRME 2' (pronounced as WASO Credit Rating Medium Enterprise Two) rating under the SME Rating to Simra Agro (hereinafter referred as "SA" or "The Enterprise") 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 enterprise which includes:

- Experienced and skilled management
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good business network
- 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
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to high level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that SA will be able to maintain its good fundamentals in the foreseeable future.