

CREDIT RATING REPORT SHAHJALAL (RA) ENTERPRISE



Ref. no.: FR/2022/26386

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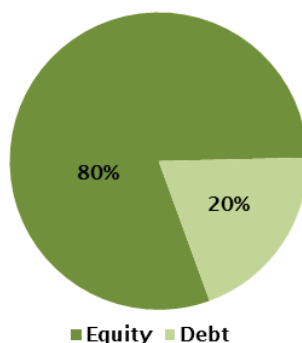
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Key Snapshot:

BDT. in million

Particulars	2020	2019
Revenue	62.05	87.73
EBIT	5.26	4.52
Net Profit	4.06	3.65
Total Assets	42.56	41.44
Total Equity	34.13	33.82
Total debt	8.43	7.62
Net Profit Margin (%)	6.6%	4.2%
CCC (Days)	114	78
ICR (X)	6.38	5.19

Capital Structure
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Negative	11 October 2022	10 October 2023

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 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 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Shahjalal (RA) Enterprise (hereinafter referred as "SRAE" 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
- 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
- Small scale of business
- Overdue status in banking repayment behavior
- Low disclosure of financial statements
- Low management information system (MIS)

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

WCRCL also viewed the enterprise with "Negative" outlook and believes that SRAE will not be able to maintain its good fundamentals in the foreseeable future.