

# SURVEILLANCE CREDIT RATING REPORT SHAMPA HANDICRAFT



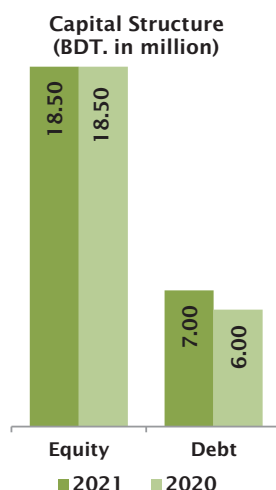
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## Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Risk Factor Analysis	4
Rating Observation	4

## Key Snapshot:

BDT. in million		
Particulars	2021	2020
Revenue	43.00	32.00
EBIT	3.67	5.00
Net Profit	3.57	4.70
Total Assets	25.50	24.50
Total Equity	18.50	18.50
Debt	7.00	6.00
Net Profit Margin (%)	8.3%	14.7%
CCC (Days)	140	190
ICR (X)	36.70	16.67



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	11 October 2022	10 October 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

**Financial Based on** unaudited financial statements for 31<sup>st</sup> December 2020 & 2021.

**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Shampa Handicraft** (hereinafter referred as "SH" 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
- Good business network
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Owned business premises and storage facility
- Low levered capital structure
- Good interest coverage position

However, the above rating has been moderated to some extent due to some factors like:

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- Trade license not updated
- No insurance policy
- Low management information system (MIS) and Manual accounting system

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

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