

CREDIT RATING REPORT SHIHAB KHAN SHIPPING LINES



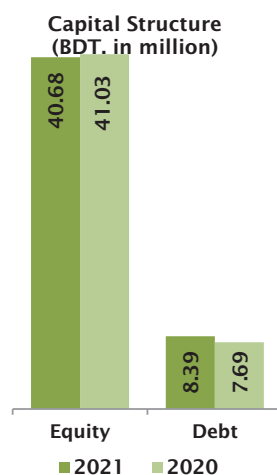
Ref. no.: FR/2022/22671

Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

Key Snapshot:

BDT. in million			
Particulars	2021	2020	
Revenue	44.99	39.13	
EBIT	16.96	14.71	
Net Profit	16.49	14.28	
Total Assets	49.07	48.72	
Total Equity	40.68	41.03	
Total debt	8.39	7.69	
Net Profit Margin (%)	36.6%	36.5%	
CCC (Days)	455	499	
ICR (X)	36.07	34.42	



Analysts:

Nazrul Islam
nazrul@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	15 March 2022	14 March 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 4'** (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to **Shihab Khan Shipping Lines** (hereinafter referred as "SKSL" 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 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
- Trade license not updated
- Lack of proper information
- Poor disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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 "Stable" outlook and believes that SKSL will be able to maintain its good fundamentals in the foreseeable future.