

SURVEILLANCE CREDIT RATING REPORT SKAR SARKER FISH FEED MILLS



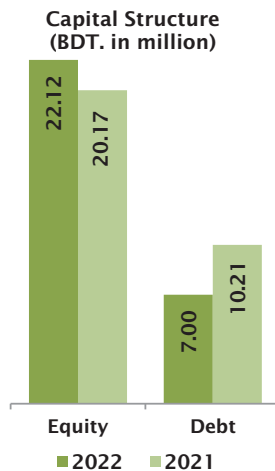
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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	31.00	11.50
EBIT	2.46	0.67
Net Profit	2.12	0.17
Total Assets	29.12	30.38
Total Equity	22.12	20.17
Total debt	7.00	10.21
Net Profit Margin (%)	6.8%	1.5%
CCC (Days)	152	366
ICR (X)	7.19	1.34



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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 reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to SKAR Sarker Fish Feed Mills (hereinafter referred as "SKARSFM" 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 mortgage security coverage against loan
- Good business network
- 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 interest coverage ratio
- Low disclosure of financial statements
- 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 SKARSFM will be able to maintain its good fundamentals in the foreseeable future.