INITIAL CREDIT RATING REPORT
SHAHMADAR INTERNATIONAL

Ref. no.: FR/2022/028422

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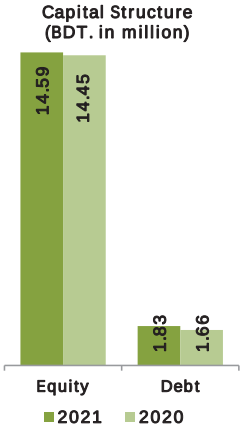
Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	10.51	10.11
EBIT	6.90	7.21
Net Profit	6.67	6.99
Total Assets	16.42	16.11
Total Equity	14.59	14.45
Total debt	1.83	1.66
Net Profit Margin (%)	63.5	69.1
CCC (Days)	617	791
ICR (X)	32.41	36.96



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	27 December 2022	26 December 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 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating Shahmadar International (hereinafter referred as "SI" 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
- Comfortable business network
- Low levered capital structure
- Good liquidity position in capital structure

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

- Lack of disclosure in the financial statements
- No Insurance coverage
- Market outlook derived tight related to linking industry (i.e. real estate)
- Small scale in the business
- 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 SI will be able to maintain its good fundamentals in the foreseeable future.