

2nd SURVEILLANCE CREDIT RATING REPORT SHORMI STEEL HOUSE



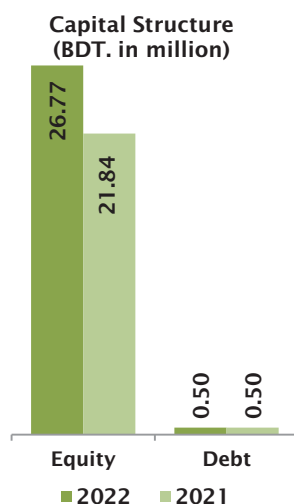
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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	121.15	109.14
EBIT	5.19	4.65
Net Profit	4.94	4.34
Total Assets	27.27	22.34
Total Equity	26.77	21.84
Debt	0.50	0.50
Net Profit Margin (%)	4.1	4.0
CCC (Days)	75	75
ICR (X)	25.93	18.07



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	07 May 2023	06 May 2024

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

BDT. in million				
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
National Bank Limited	CC (H)	5.50	5.10	30.04.2023

Financial Based on-Management prepared financial statements up to 31st December 2022.

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 Shormi Steel House (hereinafter referred as "SSH" 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
- Low levered capital structure
- Good interest coverage position
- Have insurance coverage

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

- Low disclosure of financial statements
- Low management information system (MIS)
- Manual accounting system
- Tight liquidity position
- Rented business premise

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 SSH will be able to maintain its good fundamentals in the foreseeable future.