

SURVEILLANCE CREDIT RATING REPORT SAFA ENTERPRISE



Ref. no.: FR/2023/29750

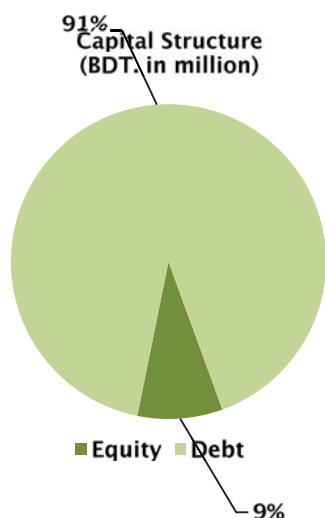
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Key Snapshot:

BDT. in million

Particulars	2022
Revenue	7.18
EBIT	1.60
Net Profit	0.71
Total Assets	12.11
Total Equity	1.06
Total debt	11.05
Net Profit Margin (%)	9.8%
CCC (Days)	623
ICR (X)	1.79



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	13 February 2023	27 February 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

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 **Safa Enterprise** (hereinafter referred as “SE” 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
- Low levered capital structure
- Good business network

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 position
- Medium 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 SE will be able to maintain its good fundamentals in the foreseeable future.