

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT SADDAM TEXTILE



Ref. no.: FR/2023/31954

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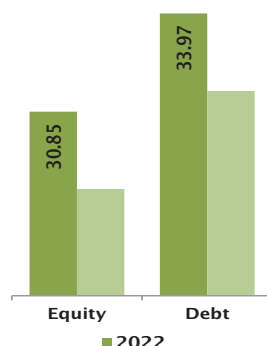
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## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	125.00	125.00
EBIT	11.64	8.47
Net Profit	7.97	5.25
Total Assets	64.82	59.89
Total Equity	30.85	28.39
Total debt	33.97	31.50
Net Profit Margin (%)	6.4	4.2
CCC (Days)	82	73
ICR (X)	5.14	3.69

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	12 June 2023	11 June 2024

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Saddam Textile (hereinafter referred as "ST" 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
- Good business network
- Maintained insurance coverage

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

- Expired trade license
- Loan reschedule history
- Tight liquidity position with long cash conversion cycle
- Highly levered capital structure
- Low disclosure of financial statements

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