

1st SURVEILLANCE CREDIT RATING REPORT SAGOR BASTRALOY



Ref. no.: FR/2023/32854

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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	08 August 2023	07 August 2024

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (H)	2.00	1.39	17.07.2023

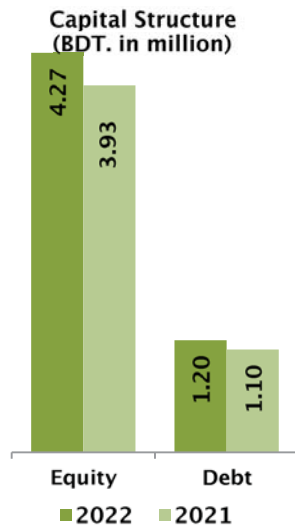
Financial Based on—unaudited financial statements up to 31 December 2022.

Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	9.87	8.58
EBIT	1.27	1.07
Net Profit	1.08	0.89
Total Assets	5.47	5.03
Total Equity	4.27	3.93
Debt	1.20	1.10
Net Profit Margin (%)	11.0%	10.4%
CCC (Days)	188	177
ICR (X)	6.69	6.17



RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise **Three**) rating under the SME Rating to **Sagor Bastraloy** (hereinafter referred as "SB" 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 mortgage security coverage against loan
- Good profitability margin
- Low levered capital structure
- Good interest coverage position
- Satisfactory banking relationship

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

- Low disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- High Competition in market
- Low management information system (MIS) and Manual accounting system

The rating implies that the enterprise has an above average credit quality.

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WCRCL also viewed the enterprise with "Stable" outlook and believes that **SB** will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.