

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT SALAFI ELECTRIC



Ref. no.: FR/2023/31188

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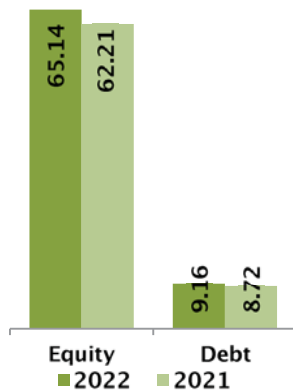
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## Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	65.58	59.69
EBIT	7.18	6.49
Net Profit	6.93	6.01
Total Assets	74.31	70.93
Total Equity	65.14	62.21
Debt	9.16	8.72
Net Profit Margin (%)	10.6	10.1
CCC (Days)	84	109
ICR (X)	77.93	15.35

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	07 May 2023	11 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

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

## RATING RATIONALE

WCRCL has assigned '**WCRSE 3**' (pronounced as WASO Credit Rating Small Enterprise **Three**) rating under the SME Rating to **Salafi Electric** (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
- Owned business premises and storage facility
- 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 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.