

INITIAL CREDIT RATING REPORT SATHI ENTERPRISE

Ref. no.: FR/2023/033508



Report Contents:

Particulars	Page
Rating Rationale	1
Owners Profile	2
Business Management	2
Market Review	2
Business Analysis and Network	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	05 September 2023	04 September 2024

Financial Based on–Unaudited financial statements up to 31 December 2022, 2021.

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

RATING RATIONALE

WCRCL has assigned **WCRSME3** (pronounced as WASO Credit Rating Small and medium Enterprise Three) rating under the SME Rating to **Sathi Enterprise** (hereinafter referred to as ‘SE’ or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the enterprise which positioning of selling point at prime location, strong group support, long business experiences of the proprietor, and low good interest coverage position, . However, the above factors are constrained to some extent by manual accounting system, highly levered concern, stressed liquidity position, long cash conversion cycle, and poor disclosure of financial statements.

The SME rating implies that the enterprise has adjudged to above average credit quality.

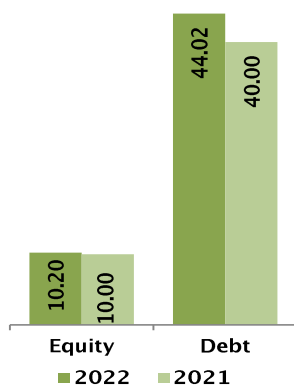
WCRCL also viewed the enterprise with “Stable” outlook and believes that SE will be able to maintain its good fundamentals in the foreseeable future.

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.

Key Snapshot:

Particulars	2022	2021
Revenue	60.47	52.58
EBIT	9.63	8.07
Net Profit	8.88	7.36
Total Assets	54.22	50.00
Total Equity	10.20	10.00
Total Liabilities	44.02	40.00
Net Profit Margin (%)	14.68	13.99
Current Ratio (X)	0.93	0.88
Debt to Equity (X)	4.32	4.00

Capital Structure
(BDT. in million)



Analysts:

Monira Islam
monira@wasocreditrating.com

Maharan Nasrin
maharan@wasocreditrating.com