

1st SURVEILLANCE CREDIT RATING REPORT SETU TRADERS



Ref. no.: FR/2022/028021

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	18 December 2022	22 December 2023

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

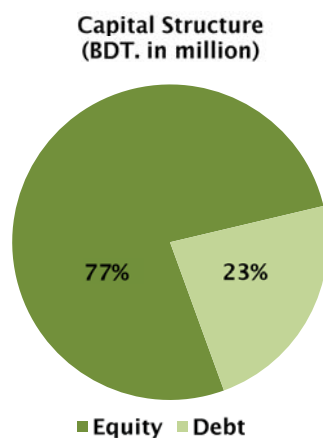
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (Hypo)	10.00	8.11	30.11.2022

Financial Based on-Unaudited financial statements up to 31 December 2021, and 2020.

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

Key Snapshot:

Particulars	2021	2020
Revenue	75.04	56.04
EBIT	11.09	6.83
Net Profit	7.52	3.52
Total Assets	27.72	22.34
Total Equity	19.17	19.17
Total debt	8.54	3.16
Net Profit Margin (%)	10.02	6.27
CCC (Days)	78	110



RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Setu Traders** (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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- Low 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.

Analysts:

Monira Islam
monira@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

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