

INITIAL CREDIT RATING REPORT SHAH AKTARIA TRADERS

Ref. no.: FR/2023/033326



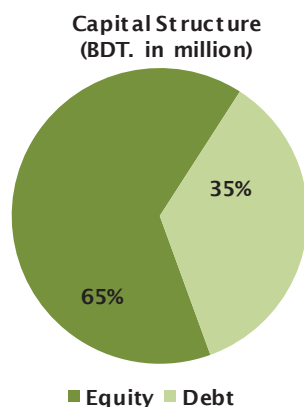
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	24.44	22.00
EBIT	1.46	1.32
Net Profit	1.19	1.32
Total Assets	11.90	11.77
Total Equity	7.69	10.59
Total debt	4.20	1.18
Net Profit Margin (%)	4.9%	6.0%
CCC (Days)	37	40
ICR (X)	5.43	n/a



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	30 August 2023	29 August 2024

WCRSME4 rating is equivalent to Bangladesh Bank SME rating scale of SME4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Financial Based on audited financial statements up to 31 December 2022.

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

RATING RATIONALE

WCRCL has assigned 'WCRSME4' (pronounced as WASO Credit Rating Small & Medium Enterprise Four) rating under the SME Rating to **Shah Aktaria Traders** (hereinafter referred as "SAT" 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
- Good interest coverage position
- Low levered capital structure
- Equity based enterprise

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

- Tight liquidity position with long cash conversion cycle
- No insurance coverage
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to **average credit quality**.

WCRCL also viewed the enterprise with "Stable" outlook and believes that SAT 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.