

INITIAL CREDIT RATING REPORT SHAHEEN FISHERIES & ITS SISTER CONCERN AROA TRADERS



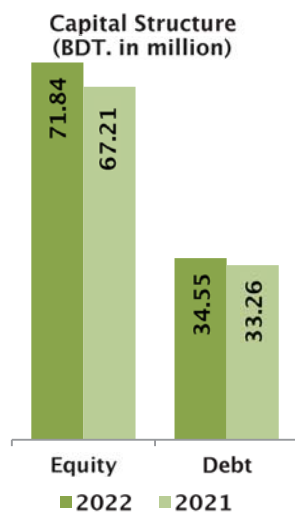
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Key Snapshot:

BDT. in million			
Particulars	2022	2021	
Revenue	136.34	128.63	
EBIT	12.69	11.83	
Net Profit	8.89	8.39	
Total Assets	106.40	100.47	
Total Equity	71.84	67.21	
Total debt	34.55	33.26	
Net Profit Margin (%)	6.5%	6.5%	
CCC (Days)	186	189	
ICR (X)	3.82	3.94	



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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME2	Stable	03 October 2023	02 October 2024

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

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

RATING RATIONALE

WCRCCL has assigned ‘**WCRSME2**’ (pronounced as WASO Credit Rating Small & Medium Enterprise Two) rating under the SME Rating to **Shaheen Fisheries & Its Sister Concern Aroa Traders** (hereinafter referred as “SFAT” 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:

- Long business experience of the proprietor in the business
- Good profitability margin
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- Average disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock
- Adverse climate risk
- Manual accounting system

The rating implies that the enterprise has a very strong credit quality.

WCRCCL also viewed the enterprise with “Stable” outlook and believes that SFAT 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.