

SURVEILLANCE CREDIT RATING REPORT SHAKIL TIMBER



Ref. no.: FR/2023/32572

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSME 3	Stable	04 July 2023	17 July 2024

WCRSME 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
Islami Bank Bangladesh Limited	Bai-Murabaha TR	3.20	2.20	03.07.2023
Total		3.20	2.20	

BDT. in million

Key Snapshot:

Particulars	2022	2021
Revenue	205.02	225.02
EBIT	6.01	3.37
Net Profit	2.53	3.16
Total Assets	49.58	42.54
Total Equity	45.98	32.34
Total debt	3.60	10.20
Net Profit Margin (%)	1.2%	1.4%
CCC (Days)	49	38
ICR (X)	1.73	16.05

Financial Based on—unaudited financial statements up to 31 December 2022.
BDT. in million

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

RATING RATIONALE

WCRCL has reaffirmed **‘WCRSME 3’** (pronounced as WASO Credit Rating Small Enterprise **Three**) rating under the SME Rating to **Shakil Timber** (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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Low levered capital structure
- Good liquidity position with short cash conversion cycle

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

- Poor disclosure of financial statements
- Low interest coverage position
- Low management information system (MIS) and Manual accounting system

The rating implies that the enterprise has an above average credit quality.

WCRCL also viewed the enterprise with **“Stable”** outlook and believes that **ST** 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.

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