

INITIAL CREDIT RATING REPORT SHAPLA POULTRY FEED COMPLEX



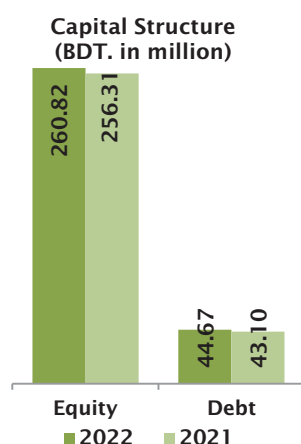
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Key Snapshot:

Particulars	BDT. in million	
	FY 2022	FY 2021
Revenue	110.98	96.51
EBIT	17.48	14.99
Net Profit	12.54	10.54
Total Assets	305.48	299.41
Total Equity	260.82	256.31
Debt	44.67	43.10
Net Profit Margin (%)	11.3	10.9
CCC (Days)	357	395
ICR (X)	4.08	3.85



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	27 December 2022	26 December 2023

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Shapla Poultry Feed Complex (hereinafter referred as "SPFC" 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:

- Good mortgage security coverage against loan
- Good business network
- Good interest coverage position
- 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
- No insurance coverage
- Rented business premises and storage facility
- Poor disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to average level of credit worthiness in relation to other small enterprises.

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