

1st SURVEILLANCE CREDIT RATING REPORT M/S SHEIKH MASUDUR RAHMAN



Ref. no.: FR/2023/33556

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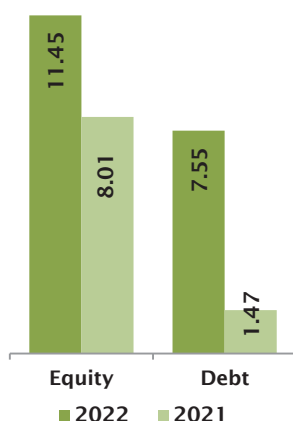
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Key Snapshot:

BDT. In Million

Particulars	2022	2021
Revenue	10.48	9.53
EBIT	0.88	0.55
Net Profit	0.43	0.32
Total Assets	19.00	9.48
Total Equity	11.45	8.01
Debt	7.55	1.47
Net Profit Margin (%)	4.1	3.4
CCC (Days)	386	721
ICR (X)	4.39	40.40

Capital Structure
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	12 September 2023	11 September 2024

BDT. in million				
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Standard Bank Limited	BG (PG/BB)	3.00	1.61	30.08.2023
	Total	3.00	1.61	

Note: According to Sanction letter, the enterprise has a sister concern namely Mita Filling Station, which is enjoying the Bai-Muajjal (H) limit of BDT. 7.00 million against outstanding amount at BDT. 6.61 million as on 30.08.2023.

Financial Based on-unaudited financial statements up to 31st December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to M/S Sheikh Masudur Rahman (hereinafter referred as "SMR" 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
- Satisfactory banking relationship
- Low levered capital structure
- Good interest coverage position

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

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage
- Manual accounting system

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

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