

2<sup>nd</sup> SURVEILLANCE CREDIT RATING REPORT  
SHEIKH RICE MILL



Ref. no.: FR/2023/33112

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Key Snapshot:

BDT. million

Particulars	2022	2021
Revenue	23.55	23.85
EBIT	2.06	21.42
Net Profit	1.78	21.14
Total Assets	19.18	101.98
Total Equity	14.78	13.85
Total debt	4.20	5.00
Net Profit Margin (%)	7.6%	88.6%
CCC (Days)	78	605
ICR (X)	7.92	82.38



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	22 August 2023	21 August 2024

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

**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

**RATING RATIONALE**

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Sheikh Rice Mill (hereinafter referred as "SRM" 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- 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
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the Enterprise has above Average Credit Quality.

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