

1st SURVEILLANCE CREDIT RATING REPORT SHILA ENTERPRISE

Ref. no.: FR/2023/031785



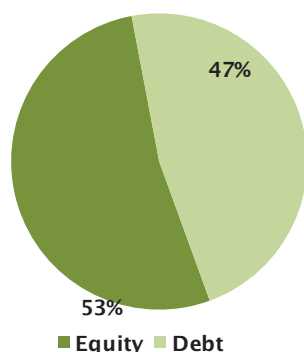
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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	29.90	26.00
EBIT	2.89	2.46
Net Profit	2.53	2.13
Total Assets	11.95	10.90
Total Equity	6.28	5.70
Total debt	5.67	5.20
Net Profit Margin (%)	8.5%	8.2%
CCC (Days)	123	135
ICR (X)	8.77	8.20

Capital Structure
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	11 June 2024

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

BDT. in Million				
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Mercantile Bank Limited	CC (Hypo) SE "SAMRIDDI"	4.00	0.17	11.06.2023

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

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise **Three**) rating under the SME Rating to **Shela Enterprise** (hereinafter referred as "SE" 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
- 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
- Low management information system (MIS) and Manual accounting system

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

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