

INITIAL CREDIT RATING REPORT SITAL ENTERPRISE



Ref. no.: FR/2023/34041

Report Contents:

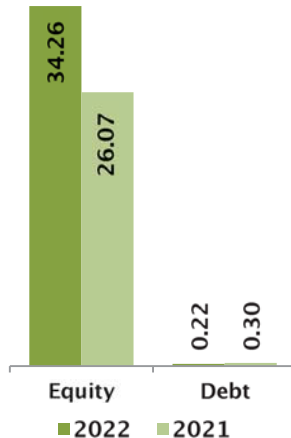
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	150.03	126.59
EBIT	8.19	7.08
Net Profit	8.19	7.07
Total Assets	34.48	26.37
Total Equity	34.26	26.07
Total debt	0.22	0.30
Net Profit Margin (%)	5.5%	5.6%
CCC (Days)	10	9
ICR (X)	1,213.15	1,916.87

Capital Structure
(BDT. in million)



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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	03 October 2023	02 October 2024

Financial Based on—unaudited financial statements up to 30 June 2022.

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to Sital 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:

- Long business experience of the proprietor in the business
- Low levered capital structure
- Good liquidity position with short cash conversion cycle
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- Medium disclosure of financial statements
- Small scale in the business
- No insurance coverage for the inventory in stock
- 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 SE 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.