

# INITIAL CREDIT RATING REPORT SOHAG IRON STORE



Ref. no.: FR/2023/032731

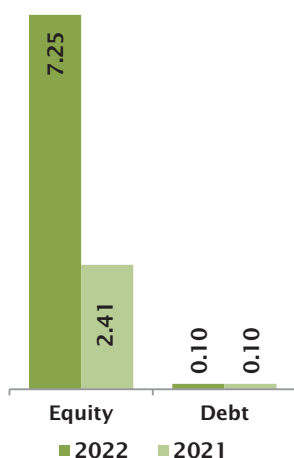
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## Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	269.00	135.00
EBIT	8.67	5.72
Net Profit	8.66	5.71
Total Assets	7.35	2.51
Total Equity	7.25	2.41
Debt	0.10	0.10
Net Profit Margin (%)	3.2%	4.2%
CCC (Days)	3	6
ICR (X)	963.56	714.63

**Capital Structure  
(BDT. in million)**



## Analysts:

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SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME 3	Stable	25 July 2023	24 July 2024

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

## RATING RATIONALE

WCRCL has assigned 'WCRSME 3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Sohag Iron Store (hereinafter referred as "SIS 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
- Satisfactory banking relationship
- 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:

- Rented business premises
- Low disclosure of financial statements
- 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 SIS will be able to maintain its good fundamentals in the foreseeable future.