

6th SURVEILLANCE CREDIT RATING REPORT SOHAG PLASTIC

Ref. no.: FR/2023/31735



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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

Name of the Bank	Mode of Investment	Amount Sanctioned	Outstanding Amount	Outstanding Date
Uttara Bank PLC	CC (Hypo)	8.00	-	11.06.2023

Tk. in million

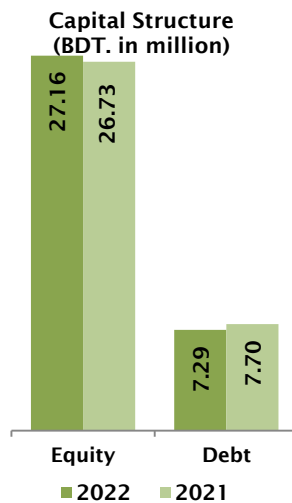
Financial Based on- unaudited financial statements up to 31 December 2022.

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

Key Snapshot:

Tk. in million

Particulars	2022	2021
Revenue	30.75	28.58
EBIT	2.06	2.16
Net Profit	1.88	1.52
Total Assets	34.44	34.43
Total Equity	27.16	26.73
Debt	7.29	7.70
Net Profit Margin (%)	6.1	5.3
CCC (Days)	259	315
ICR (X)	11.40	3.34



RATING RATIONALE

WCRCL has upgraded 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Sohag Plastic** (hereinafter referred to as 'SP' or 'The enterprise') based on its financial and other relevant qualitative and quantitative information up to the date of the rating assessment.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Long experiences of the proprietor in the business
- Position of selling point at prime area
- Owned business premises
- Low levered capital structure
- Good interest coverage position
- Comfortable security arrangement

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

- Low disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- No insurance coverage
- 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 SP 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.

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