

INITIAL CREDIT RATING REPORT
SAIFUL ENTERPRISE



Ref. no.: CRAR-18229/2023

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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	25 October 2023	24 October 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

RATING RATIONALE

WCRCL has assigned ‘WCRSME3’ (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to Saiful 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
- Low levered capital structure
- 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:

- Poor disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

The rating implies that the enterprise has above average credit quality.

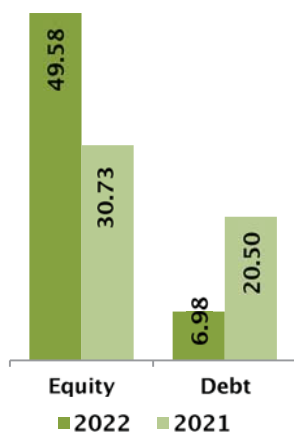
WCRCL also viewed the enterprise with “Stable” outlook and believes that SE will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor’s equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	84.65	76.19
EBIT	2.81	1.69
Net Profit	2.79	1.66
Total Assets	56.56	51.22
Total Equity	49.58	30.73
Total debt	6.98	20.50
Net Profit Margin (%)	3.3%	2.2%
CCC (Days)	158	128
ICR (X)	117.54	74.18

Capital Structure (BDT. in million)



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