

INITIAL CREDIT RATING REPORT M/S SHAKHAWAT HOSSAIN



Ref. no: CRAR-18264/2023

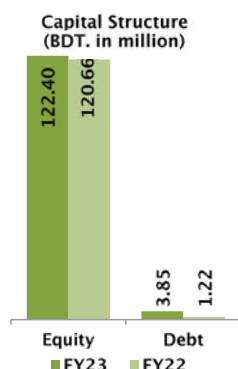
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Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	191.78	287.35
EBIT	51.45	78.04
Net Profit	23.27	35.83
Total Assets	122.78	121.88
Total Equity	122.40	120.66
Total debt	3.85	1.22
Net Profit Margin (%)	12.1	12.5
CCC (Days)	-	-
ICR (X)	114.81	99.20



Analysts:

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	21 November 2023	20 November 2024

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

RATING RATIONALE

WCRCCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to M/S Shakhawat Hossain (hereinafter referred as SH 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 profitability margin
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship

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

- Medium disclosure in the financial statements
- No Insurance coverage for the inventory in stock

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

WCRCCL also viewed the enterprise with "Stable" outlook and believes that SH 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.