

1st SURVEILLANCE CREDIT RATING REPORT SHAKIL ENTERPRISE



Ref. no.: FR/2023/34149

Report Contents:

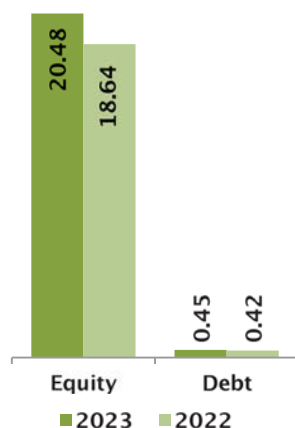
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

Key Snapshot:

BDT. in million

Particulars	2023	2022
Revenue	69.00	60.00
EBIT	18.22	15.78
Net Profit	18.21	15.77
Total Assets	20.93	19.06
Total Equity	20.48	18.64
Total debt	0.45	0.42
Net Profit Margin (%)	26.4%	26.3%
CCC (Days)	09	09
ICR (X)	1,601.81	1,525.86

Capital Structure (BDT. in million)



Analysts:

Nazrul Islam
nazrul@wasocreditrating.com

Monira Islam
monira@wasocreditrating.com

SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	22 August 2023	21 August 2024

Financial Based on—unaudited financial statements up to 30 June 2023.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME4' (pronounced as WASO Credit Rating Small & Medium Enterprise Four) rating under the SME Rating to Shakil 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
- Satisfactory banking relationship
- Good business network
- Good liquidity position considering short cash conversion cycle
- Good interest coverage position
- Low levered capital structure

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

- Insufficient work in hand
- High market price volatility of rod in local market
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system
- High competition in the business

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.