

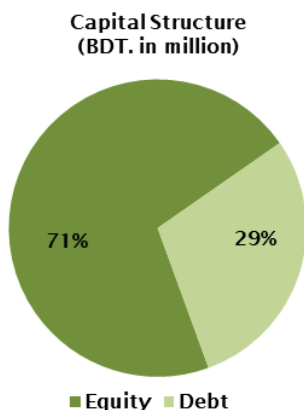
**Report Contents:**

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

**Key Snapshot:**

*BDT. in million*

Particulars	2021	2020
Revenue	91.11	79.22
EBIT	13.25	11.25
Net Profit	11.10	9.30
Total Assets	81.94	81.18
Total Equity	58.07	56.84
Debt	23.87	24.35
Net Profit Margin (%)	12.2%	11.7%
CCC (Days)	147	159
ICR (X)	6.18	5.77



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	29 June 2022	28 June 2023

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

*BDT. in million*

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (H)	9.00	0.08	27.06.2022

*Note: OD-CMSME limit of Tk.5.00 Million as inner of existing CC (H) limit of Tk. 9.00 Million under Corona Virus Mokabelay Bishes Rin Biniyog Subidha SME Package.*

*Financial Based on- Management prepared financial statements for 31<sup>st</sup> December 2021.*

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

**RATING RATIONALE**

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Shole Drawing Engineering Works (hereinafter referred as "SDEW" 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
- Satisfactory banking relationship
- Good interest coverage position
- Low levered capital structure

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

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- Inventory holding risk
- 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 SDEW will be able to maintain its good fundamentals in the foreseeable future.