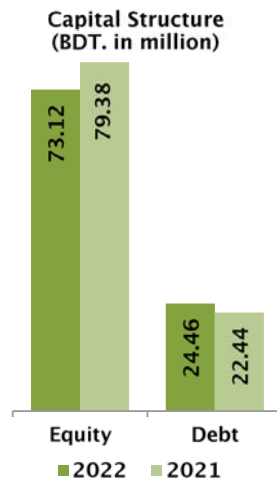


Report Contents:

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

Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	168.19	146.25
EBIT	8.60	7.37
Net Profit	4.99	4.09
Total Assets	97.58	101.82
Total Equity	73.12	79.38
Total debt	24.46	22.44
Net Profit Margin (%)	3.0%	2.8%
CCC (Days)	49.80	54.52
ICR (X)	2.38	2.25



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	12 March 2023	11 March 2024

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Hawa Metal and Engineering Works (hereinafter referred as "HMEW" 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 mortgage security coverage against loan
- Good business network
- Good liquidity position with long cash conversion cycle
- Low levered capital structure

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

- Poor banking relationship
- Low interest coverage ratio
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that HMEW will be able to maintain its good fundamentals in the foreseeable future.