

Report Contents:

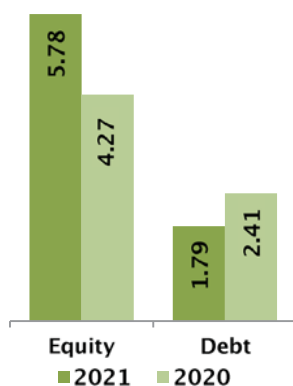
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	16.80	15.78
EBIT	1.00	0.76
Net Profit	0.77	0.66
Total Assets	7.57	6.67
Total Equity	5.78	4.27
Total debt	1.79	2.41
Net Profit Margin (%)	4.6%	4.2%
CCC (Days)	113	111
ICR (X)	7.14	31.13

Capital Structure
(BDT. in million)



Analysts:

Md. Akter Hossain
akter@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	07 May 2023	06 May 2024

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)	1.00	0.22	09.05.2022

Financial Based on—unaudited financial statements up to 31 December 2020.

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

RATING RATIONALE

WCRCL has assigned '**WCRSE 3**' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Shorna Engineering Workshop** (hereinafter referred as "**SEW**" 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 profitability margin
- Good liquidity position with long cash conversion cycle
- Low levered capital structure
- Good interest coverage position

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

- No insurance coverage for the inventory in stock
- Lack of disclosure in the financial statements
- 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 SEW will be able to maintain its good fundamentals in the foreseeable future.