

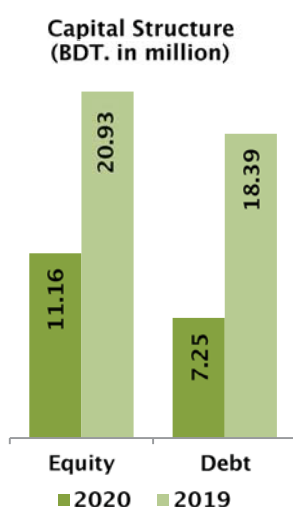
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## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	70.50	71.00
EBIT	6.01	5.16
Net Profit	5.61	4.81
Total Assets	25.05	21.26
Total Equity	17.41	13.61
Debt	7.64	7.65
Net Profit Margin (%)	8.0	6.8
CCC (Days)	95	76
ICR (X)	15.03	14.74



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	11 June 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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
EXIM Bank Limited	Bai- Muajjal	4.00	4.05	11.06.2023

**Financial Based on**—Management prepared financial statements for 31<sup>st</sup> December 2018-2022.

**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Safwan Traders (hereinafter referred as "ST" 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Low levered capital structure
- Good interest coverage position
- Good security arrangement

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 ST will be able to maintain its good fundamentals in the foreseeable future.