

4th SURVEILLANCE CREDIT RATING REPORT SAWUN ENTERPRISE

Ref. no.: FR/2023/33023



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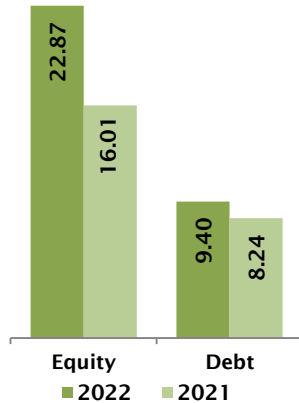
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Key Snapshot:

Tk. in Million

Particulars	2022	2021
Revenue	120.33	111.31
EBIT	8.76	7.91
Net Profit	8.10	7.24
Total Assets	32.27	24.25
Total Equity	22.87	16.01
Debt	9.40	8.24
Net Profit Margin (%)	6.7	6.5
CCC (Days)	77	72
ICR (X)	14.25	12.85

Capital Structure (BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	08 August 2023	07 August 2024

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

RATING RATIONALE

WCRCL has re-affirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating to Sawun Enterprise (hereinafter referred to 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:

- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Regular loan repayment history
- Good interest coverage position
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to 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.