

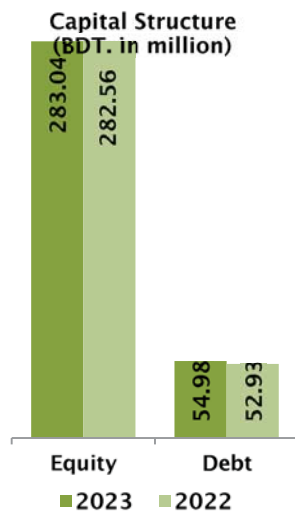
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## Key Snapshot:

BDT. in million

Particulars	2023	2022
Revenue	321.38	306.08
EBIT	25.24	24.43
Net Profit	24.73	23.94
Total Assets	338.01	335.49
Total Equity	283.04	282.56
Debt	54.98	52.93
Net Profit Margin (%)	7.7%	7.8%
CCC (Days)	78	75
FFO (in Million)	24.73	23.94



## Analysts:

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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	25 July 2023	24 July 2024

**Financial Based on**—audited financial statements up to 30<sup>th</sup> June FY23.

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to Sonakanda Engineering Works (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
- Owned business premises
- Good business network
- Low levered capital structure

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

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

The rating implies that the enterprise has an above average credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that SEW 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.