

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT SRABON TOOLS



Ref. no.: FR/2023/32857

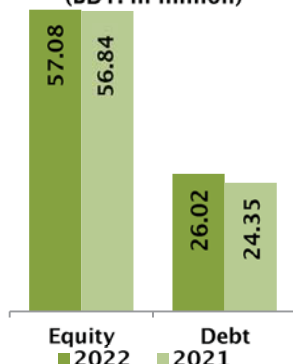
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## Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	91.11	79.22
EBIT	13.25	11.25
Net Profit	11.10	9.30
Total Assets	83.10	81.18
Total Equity	57.08	56.84
Total debt	26.02	24.35
Net Profit Margin (%)	12.2	11.7
CCC (Days)	148	156
ICR (X)	6.18	5.77

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

**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 and Medium Enterprise Three) rating under the SME Rating to Srabon Tools (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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good Profitability margin
- Low levered capital structure
- Comfortable interest coverage position
- Maintained sound business relation with supplier & buyer

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 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 has above average credit quality.

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