

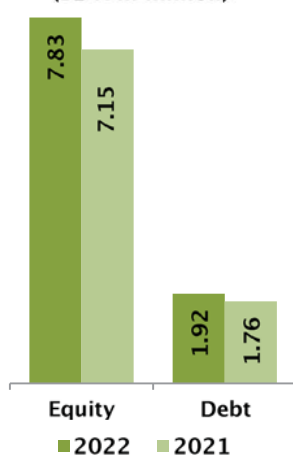
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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	14.10	12.26
EBIT	1.82	1.55
Net Profit	1.66	1.40
Total Assets	9.75	8.91
Total Equity	7.83	7.15
Debt	1.92	1.76
Net Profit Margin (%)	11.7%	11.4%
CCC (Days)	175	169
ICR (X)	11.04	10.32

Capital Structure
(BDT. in million)



Analysts:

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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	10 October 2023	09 October 2024

Financial Based on—unaudited financial statements up to 31 December 2022.

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

RATING RATIONALE

WCRCCL has reaffirmed ‘**WCRSME3**’ (pronounced as WASO Credit Rating Small & Medium Enterprise **Three**) rating under the SME Rating to **Sarna 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 profitability margin
- Low levered capital structure
- Good interest coverage position
- Satisfactory banking relationship

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

- Poor disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- High Competition in market
- Manual accounting system

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

WCRCCL 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.