

2nd SURVEILLANCE CREDIT RATING REPORT SHOLE DRAWING ENGINEERING WORKS



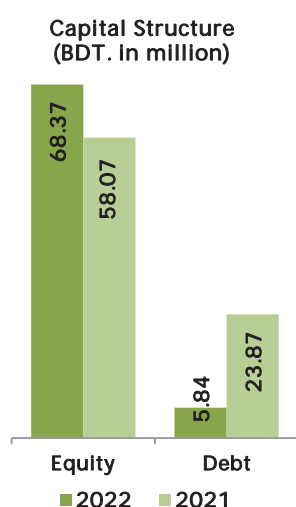
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Key Snapshot:

Particulars	BDT. In million	
	2021	2022
Revenue	91.11	68.50
EBIT	13.25	10.70
Net Profit	11.10	9.75
Total Assets	81.94	74.21
Total Equity	58.07	68.37
Debt	23.87	5.84
Net Profit Margin (%)	12.2	14.2
CCC (Days)	147	167
ICR (X)	6.18	11.23



Analysts:

Mst. Irin Akter
irin@wasocreditrating.com

Monira Islam
monira@wasocreditrating.com

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	31 October 2023	30 October 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	BDT. in million
				Date of Outstanding
Uttara Bank PLC	CC (H)	9.00	-	26.10.2023

Financial Based on- Management prepared financial statements for 31st December 2022.

Methodology: SME rating methodology published on the WCRCL website at 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 Shole Drawing Engineering Works (hereinafter referred as "SDEW" 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:

- Long business experiences of the proprietor in the business
- Good business network
- Good interest coverage position
- Low levered capital structure
- Satisfactory banking relationship

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

- Low disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- Inventory holding risk
- 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 SDEW 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.