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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	23 November 2023	22 November 2024

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 Swarnali Shop (hereinafter referred as "SS" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

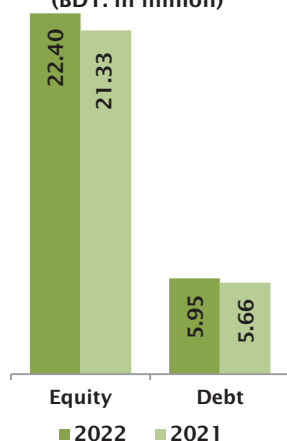
BDT. in million

Particulars	2022	2021
Revenue	21.23	20.22
EBIT	3.31	3.15
Net Profit	3.09	2.94
Total Assets	28.35	27.00
Total Equity	22.40	21.33
Total debt	5.95	5.66
Net Profit Margin (%)	14.5	14.5
CCC (Days)	225	189
ICR (X)	14.76	14.76

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good business network
- Satisfactory banking relationship
- Good profitability margin
- Low levered capital structure
- Comfortable interest coverage position
- Good mortgage security coverage against loan

Capital Structure (BDT. in million)



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

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage
- 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 SS 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.

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