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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	03 October 2023	02 October 2024

Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com
BDT. in million

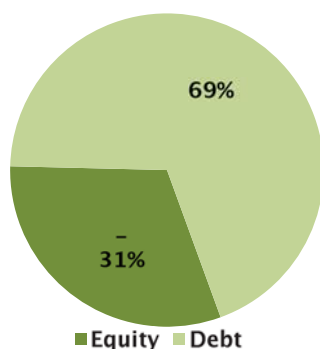
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Mercantile Bank Limited	LC(Sight)	15.00	10.06	02.10.2023
	LTR-SE	(6.00)	-	

Key Snapshot:

BDT. in million

Particulars	2022	2021
Sales	5.93	20.06
EBIT	-2.57	-3.63
Net Profit	-3.82	-5.61
Total Assets	9.00	13.23
Total Equity	-7.30	-3.55
Total debt	16.30	16.78
Net Profit Margin (%)	-64.5	-28.0
CCC (Days)	-220	-15
ICR (X)	-6.00	-1.96

Capital Structure
(BDT. in million)



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RATING RATIONALE

WCRCL has downgraded 'WCRSME4' (pronounced as WASO Credit Rating Small and Medium Enterprise Four) rating under the SME Rating to **Swazis International Limited** (hereinafter referred as "SIL" 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

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

- Tight liquidity position with long cash conversion cycle
- Highly levered capital structure
- No insurance coverage for the inventory in stock
- Negative debt to equity ratio
- Net loss in operation
- Negative equity in capital structure

The SME rating implies that the enterprise has **average credit quality**.

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