

SURVEILLANCE CREDIT RATING REPORT

E-ENGINEERING LIMITED

Ref. no.: FR/2022/025526

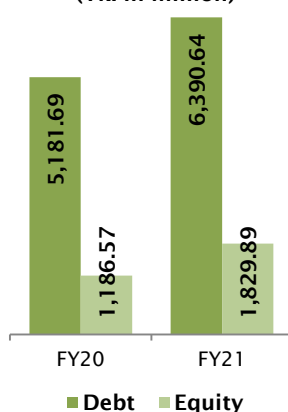


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Key Snapshot:

Tk. in million		
Particulars	FY21	FY20
Revenue	7,451	4,183
COGS	5,912	2,187
Gross Profit	1,538	1,366
Operating Exp.	153.6	100.6
EBIT	1,352	1,272
Financial Exp.	436.3	372.7
Net Profit	643.3	619.8
Total Assets	8,220	6,368
Total Equity	1,829	1,186
Debt	6,390	5,181
Net Profit Margin (%)	8.60	14.80
Current Ratio (X)	0.93	1.13
CCC (Days)	135	219
Debt/Equity (X)	3.49	4.37
ICR (X)	3.10	3.41

Capital Structure
(Tk. in million)

Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB1	ST-3	Stable	29 August 2022	31 August 2023

Tk. in Million				
Name of Bank	Mode	Disbursement/Sanction Amount	Outstanding Amount	Bank Loan Rating
Dhaka Bank Ltd. (30.06.2022)	Term Loan	1,104.20	916.22	blr BBB1
	OD (WO)	1,132.50	890.85	
	OD (WO)	180.00	235.83	
	OD (WO)	80.00	132.95	
	OD (WO)	40.00	92.22	blr ST-3
	Stimulus	60.00	62.71	
	STL	875.43	875.43	
ONE Bank Ltd. (30.06.2022)	BG	50.00	0.00	
	Time Loan	84.81	85.61	blr ST-3
NCC Bank Ltd. (30.06.2022)	Time Loan	126.23	127.43	
	SOD (WO)	50.00	55.73	blr ST-3
National Bank Ltd. (30.06.2022)	LC/LTR	280.00	282.00	blr ST-3
	L/C	800.00	232.21	
United Commercial Bank Ltd. (30.06.2022)	LTR	(600.00)	0.0	
	OD	750.00	763.72	blr ST-3
	BG	250.00	0.00	
	WOF	925.03	925.03	
Grand total		6,788.2	5,677.94	

Financial: Based on Audited financial statements up to 30 June 2021.

Methodology: Corporate rating methodology published on the WCRCL website at www.wasocreditrating.com.

RATING RATIONALE

WCRCL has reaffirmed 'BBB1' (pronounced as Triple B One) rating for the Long Term and reaffirmed 'ST-3' (pronounced as Short Term Three) rating for Short Term to **E-Engineering Limited** (hereinafter referred to as 'EEL' or 'The company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also reaffirmed 'blr BBB1' (pronounced as Triple B One) rating to the long term outstanding and reaffirmed 'blr ST-3' (pronounced as Bank Loan Rating Short Term Three) rating to the short term loan limit.

The above ratings have been assigned based on the fundamentals of the company which include wide business network with diversified buyer base, experienced and proactive management, growing trend of revenue, experienced technical personnel, have large corporate buyer in its buyers portfolio, good profitability position, strong Group support and satisfactory banking relationship.

However, the above factors are constrained to operational bottleneck due to average disclosure in the financial statement, high levered in the capital structure, market saturation or high competition, stressed liquidity position considering high current liabilities, risk associated with procurement.



The long term rating implies that the company is subject to medium credit risk and considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that the company has an acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

WCRCL also viewed the company with “**Stable**” outlook and believes that EEL will be able to maintain its good fundamentals in the foreseeable future.

--- End of Rationale ---