

SURVEILLANCE CREDIT RATING REPORT ERHAM TIMBER AND CONSTRUCTION COMPANY



Ref. no.: FR/2022/025886

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	19 September 2022	18 September 2023

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Agrani Bank Limited	CC (H)	10.00	9.92	24.03.2022

BDT. in million

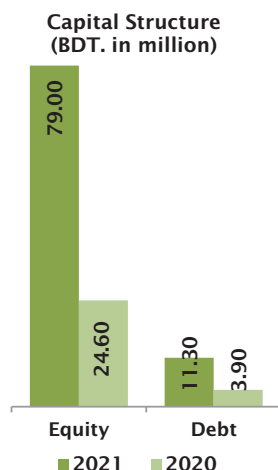
Financial Based on-unaudited financial statements of 2021.

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

Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	23.50	21.50
EBIT	5.00	4.51
Net Profit	5.00	4.51
Total Assets	90.30	28.50
Total Equity	79.00	24.60
Debt	11.30	3.90
Net Profit Margin (%)	21.3%	21.0%
CCC (Days)	548.37	330.66



RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Erham Timber and Construction Company (hereinafter referred as "ETCC" 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 business network
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- Lack of updated financial statement
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that ETCC will be able to maintain its good fundamentals in the foreseeable future.

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