

SURVEILLANCE CREDIT RATING REPORT TECO ELECTRONICS LIMITED



Ref. no.: FR/2022/25733

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| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|---------|---------------------|--------------------|
| | WCRSE 3 | Stable | 19 September 2022 | 18 September 2023 |

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

BDT. in million

| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount | Date of Outstanding |
|--------------------------------|--------------------|-------------------|--------------------|---------------------|
| Islami Bank Bangladesh Limited | WC | 2.00 | 2.00 | 14.09.2022 |
| | MTR | 5.00 | 5.00 | |
| | HPSM | 3.10 | 3.26 | |

Key Snapshot:

BDT. in million

| Particulars | FY21 | FY20 |
|-----------------------|-------|-------|
| Revenue | 33.88 | 30.80 |
| EBIT | 3.46 | 2.87 |
| Net Profit | 2.05 | 1.69 |
| Total Assets | 80.26 | 74.22 |
| Total Equity | 61.31 | 59.28 |
| Debt | 18.95 | 14.94 |
| Net Profit Margin (%) | 6.1 | 5.5 |
| CCC (Days) | 671 | 701 |
| ICR (X) | 6.21 | 7.69 |

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

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Teco Electronics Limited** (hereinafter referred as "TEL" or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

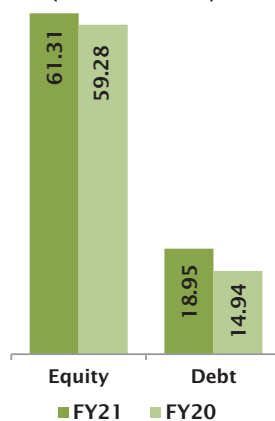
The above rating has been assigned based on the fundamentals of the enterprise which includes:

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

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

- Inventory holding risk
- Tight liquidity position with long cash conversion cycle
- Average disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

**Capital Structure
(BDT. in million)**



Analysts:

Shudhan Mallick
shudhan@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

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

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