

# SURVEILLANCE CREDIT RATING REPORT MEGAVISION ELECTRIC CO

Ref. no.: FR/2023/29927

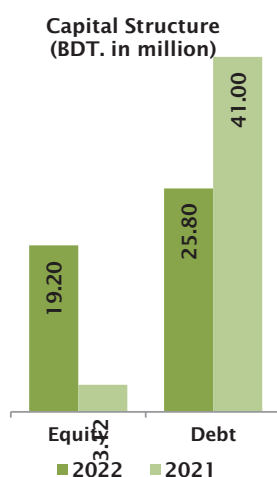


## Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Market Review	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

## Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	86.50	98.09
EBIT	6.48	13.09
Net Profit	4.39	11.48
Total Assets	45.00	44.12
Total Equity	19.20	3.12
Total debt	25.80	41.00
Net Profit Margin (%)	5.1%	11.7%
CCC (Days)	32	28
ICR (X)	3.10	8.14



## Analysts:

**Sazedul Islam**  
sazedul@wasocreditrating.com

**Ummay Fatema**  
fatema@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 March 2023	11 March 2024

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

**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Megavision Electric Co (hereinafter referred as "MEC" 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
- Good mortgage security coverage against loan
- Good business network
- Regular loan repayment history
- Owned business premises and storage facility
- Good interest coverage position
- Liquidity position was good evident by short cash conversion cycle

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

- Highly levered capital structure
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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