

CREDIT RATING REPORT MEGHNA ELECTRONICS LIMITED



Ref. no.: FR/2023/030708

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Key Snapshot:

| BDT. in million | | |
|-----------------------|--------|---------|
| Particulars | 2022 | 2021 |
| Revenue | 9.95 | 0.07 |
| EBIT | 0.33 | -0.42 |
| Net Profit | 0.24 | -0.42 |
| Total Assets | 4.67 | 0.44 |
| Total Equity | -1.80 | -2.04 |
| Debt | 6.47 | 2.48 |
| Net Profit Margin (%) | 2.4% | -646.3% |
| CCC (Days) | -11.18 | n/a |

Capital Structure
(BDT. in million)



| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|---------|---------------------|--------------------|
| | WCRSE 4 | Stable | 10 April 2023 | 11 March 2022 |

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

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Meghna Electronics Limited (hereinafter referred as "MEL" 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

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
- Rating may decrease in the future if financial performance does not improve.
- 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.

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