# CREDIT RATING REPORT MEGHNA ELECTRONICS LIMITED



Ref. no.: FR/2023/030708

#### **Report Contents:**

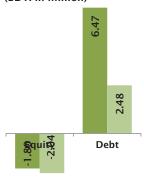
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### **Key Snapshot:**

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)



**2022 2021** 

### Analysts:

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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

 $\textbf{\textit{Methodology:} SME rating methodology published on the WCRCL website at www.wasocreditrating.com}$ 

### **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 upto 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.

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