

# 2<sup>nd</sup> SURVEILLANCE CREDIT RATING REPORT ELECTROMECH ENGINEERING CO.

Ref. no.: FR/2023/031167



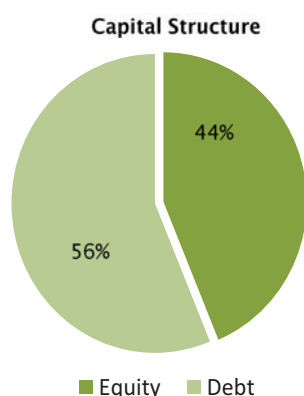
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## Key Snapshot:

Tk. in million

Particulars	2022	2021
Sales	130.58	109.32
EBIT	8.93	5.29
Net Profit	8.52	5.01
Total Assets	105.31	64.50
Total Equity	63.70	28.22
Total debt	41.61	36.30
Net Profit Margin (%)	6.52	4.58
Current Ratio (X)	2.39	1.60



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	07 May 2023	24 April 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

Financial Based on-Unaudited financial statements up to 30 June 2022, and 2021.

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 Four) rating under the SME Rating to **Electromech Engineering Co.** (Hereinafter referred as "EEC" 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 reaffirmed based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Satisfactory banking relationship
- Low levered capital structure
- Good debt coverage position

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

- Tight liquidity position
- Low disclosure of financial statements
- Small scale operation
- Lower profit margin
- 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 EEC will be able to maintain its good fundamentals in the foreseeable future.