

3rd SURVEILLANCE CREDIT RATING REPORT WESTERN ENGINEERING (PVT.) LIMITED

Ref. no.: FR/2023/032843



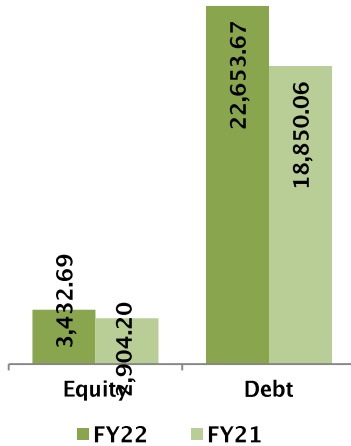
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Key Snapshot:

BDT. in million		
Particulars	FY22	FY21
Revenue	7,155.64	7,691.44
EBIT	2,613.83	2,657.73
Net Profit	536.99	644.80
Assets	26,695.50	21,754.26
Equity	3,432.69	2,904.19
Debt	22,653.67	18,850.06
Net Profit Margin (%)	644.80	536.99
Current Ratio (X)	0.82	0.78
IRC (X)	1.51	1.57

Capital Structure
(BDT. in million)



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Rating Declaration	Date of Expiration
	A+	ST 2	Stable	08 August 2023	14 June 2024

BDT. In million				
Name of Bank's	Mode of Investment	Sanction/Disbursement Amount	Outstanding Amount	Bank Loan Rating
Trust Bank Limited (30-6-2023)	Term Loan	1140.00	670.00	blr A+
	LTR (Convert to WO TL inner)	(47.50)	-	
	WO time loan	3400.00	3665.00	blr ST 2
	BG(One off, PG,APG)	2000	307.60	
Jamuna Bank Limited (30-6-2023)	LC (Rev)	1500.00	Nil	
	Term Loan (lease finance)	200.00	190.20	blr A+
	Term Loan	230.00	739.30	
	Term Loan	450.00	211.90	
	SOD (Rev)	1750.00	781.50	blr ST 2
	PG/BG/BB/APG	1500.00	407.20	
	LC (Rev) Sight/Upas	600.00	Nil	
	Term Loan	267.50	336.30	blr A+
	SOD	1000.00	628.80	
	TL	(500.00)	280.30	
NRBC Bank Ltd.(30.06.2023)	OD	50.00	50.00	
	TL(E)	50.00	170.90	
	LG	90.00	101.50	blr ST 2
	LTR	50.00	0.90	
	PG/BG/BB/APG(R)	1000.00	959.00	
	LC	450.00	121.600	
	TR	267.50	336.30	
	SOD	1000.00	628.80	
	OD	400.00	-	
	LTR	50.00	-	
Shahjalal Islami Bank Ltd.(30-06.2023)	LC/Accept(R)	150.00	-	blr ST 2
	B Bond (BG/PG/APG) Rev	200.00	-	
	OD	3150.00	2735.00	
	Term Loan-1	650.00	632.20	
	Term Loan -2	800.00	485.50	
	Term Loan -3	420.00	331.50	blr A+
	Term Loan -4	550.00	423.80	
	Hire Purchase	35.00	31.10	
	STL	200.00	200.00	
	TL	850.00	898.00	
United Commercial Bank Ltd. (30-06-2023)	(PG/BG/APG)	500.00	138.50	blr ST 2
	UPAS/ABP		223.50	
	LC	750.00	130.70	
	Term Loan	650.00	652.50	blr A+
	SOD(R)	1000.00	1031.70	
	PG/BG/BB/APG(R)	250.00	249.60	blr ST 2
	Term Loan	2500.00	2177.50	blr A+
	OD (R)	3000.00	3115.0	
	LC(R)	520.00	-	blr ST 2
	LC Specific	430.00	-	
The Premier Bank Limited (30-06-2023)	PG/BG/BB/APG	1700.00	1337.40	
Mutual Trust Bank Ltd. (30-06-2023)	Term Loan	500.00	395.60	blr A+
City Bank	Term Loan (R)	1600.00	1478.30	blr A+

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Limited (30-06-2023)	TR ECA	3150.00	2870.00	
	TR-1	1000.00	711.80	
	STL-3	1000.00	606.60	
	BG(R)	(1600.00)	62.20	blr ST 2
	LC(R)	(400.00)	73.60	
	LC(R)	(400.00)	-	
Modumoti Bank Limited (30-06-2023)	LC- ECA B	3150.00	1989.90	
	Term Loan	310.00	125.00	blr A+
	Short Term Loan	40.00	41.20	
	LTR/TR	150.00	43.60	
	OD (Rev)	850.00	781.50	blr ST 2
	PG/BG/BB/APG	1200.00	958.70	
	LC (Rev) Sight/Upas	200.00	Nil	

Financial Based on–Audited financial statements up to 30 June 2021 and 2022.

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

RATING RATIONALE

WCRCL has reaffirmed and assigned ‘A+’ (pronounced as Single A Plus) rating for the Long Term and ‘ST 2’ (pronounced as Short Term Two) rating for Short Term to Western Engineering (Pvt.) Limited (hereinafter referred to as ‘WEL’ or ‘the company’) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also assigned “blr A+” (pronounced as Bank Loan Rating Single A Plus) rating to the aggregate long term loan outstanding and ‘blr ST 2’ (pronounced as Bank Loan Rating Short Term Two) rating to the aggregate short term loan limit.

The above ratings have been assigned based on the fundamentals of the company which include; Major clients are government organizations with big contracts, good market reputation, long track business record, good banking conduct, skilled and experienced management and workforce, positive business trend, good debt coverage position. However, the above factors are constrained by Down trend of revenue and profitability, high loan burden from Financial Institutions, stress liquidity position with low quick ratio, comparatively low quality of presentation in the financial statement provided by company.

The long term rating implies that the company is very good credit quality. The short term rating implies that the entity has an above average ability to meet short term financial commitments.

WCRCL also viewed the company with “Stable” outlook and believes that WEL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor’s equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.