

Report Contents:

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

| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
| | WCRSME3 | Stable | 30 August 2023 | 28 August 2024 |

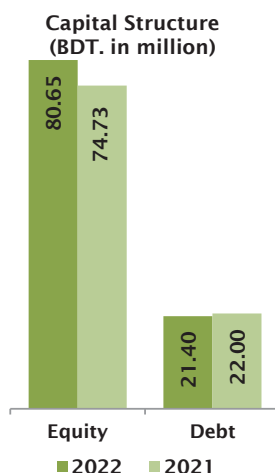
| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount | Date of Outstanding |
|-----------------------|--------------------|-------------------|--------------------|---------------------|
| National Bank Limited | CC (H) | 21.00 | 20.04 | 28.08.2023 |
| | Stimulus | 6.00 | 6.00 | |

BDT. in million

Key Snapshot:

| Particulars | 2022 | 2021 |
|-----------------------|--------|--------|
| Revenue | 282.29 | 275.33 |
| EBIT | 9.92 | 9.49 |
| Net Profit | 7.92 | 7.62 |
| Total Assets | 102.05 | 96.73 |
| Total Equity | 80.65 | 74.73 |
| Debt | 21.40 | 22.00 |
| Net Profit Margin (%) | 2.8 | 2.8 |
| CCC (Days) | 126 | 124 |
| ICR (X) | 5.51 | 5.67 |

BDT. in million



Analysts:

Shudhan Mallick
shudhan@wasocreditrating.com

Maharan Nasrin
maharan@wasocreditrating.com

Financial Based on-Management prepared financial statements up to 31st December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Bandhan Engineering Works (hereinafter referred as "BEW" 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 business network
- Low levered capital structure
- Good interest coverage position

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

- Low disclosure of financial statements
- Tight liquidity position in the capital structure
- Low management information system (MIS)
- Manual accounting system
- Rented business premises

The SME rating implies that the enterprise is adjudged to above average credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that BEW 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.