

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT EDC CORPORATION



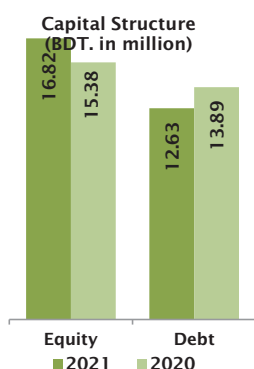
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## Key Snapshot:

Particulars	BDT. in million	
	2021	2020
Revenue	57.52	45.97
EBIT	6.48	4.84
Net Profit	5.53	4.22
Total Assets	29.45	29.27
Total Equity	16.82	15.38
Debt	12.63	13.89
Net Profit Margin (%)	9.6%	9.2%
CCC (Days)	125	163
ICR (X)	6.78	7.74



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	19 September 2022	18 September 2023

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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	BDT. in million
				Date of Outstanding
Uttara Bank Limited	CC (H)	10.00	9.90	16.08.2022

Financial Based on-Management prepared financial statements of 31<sup>st</sup> December 2020 & 2021

Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to EDC Corporation (hereinafter referred as "EDCC" 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
- Low levered capital structure
- Comfortable interest coverage position
- Good banking conduct

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

- Lack of disclosure of financial statements
- No insurance coverage
- Stressed liquidity position
- 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 EDCC will be able to maintain its good fundamentals in the foreseeable future.