

INITIAL CREDIT RATING REPORT ENGINEER AND SONS TRADE CENTER



Ref. no.: FR/2023/033030

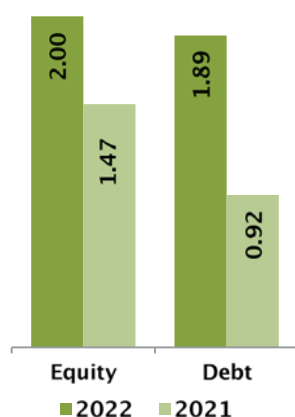
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Key Snapshot:

BDT. in million			
Particulars	2022	2021	
Revenue	6.70	5.67	
EBIT	0.79	0.32	
Net Profit	0.71	0.26	
Total Assets	3.89	2.39	
Total Equity	2.00	1.47	
Total debt	1.89	0.92	
Net Profit Margin (%)	10.5	4.5	
CCC (Days)	144	125	
ICR (X)	9.88	5.13	

Capital Structure
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	08 August 2023	07 August 2024

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to Engineer and Sons Trade Center (hereinafter referred as "E&STC" 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:

- Long business experiences of the proprietor in the business
- Good business network
- Low levered capital structure
- Good interest coverage position
- Satisfactory banking relationship

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

- Low of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

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 ESTC 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.