

1st SURVEILLANCE CREDIT RATING REPORT ESHA CONSTRUCTION



Ref. no.: FR/2023/032920

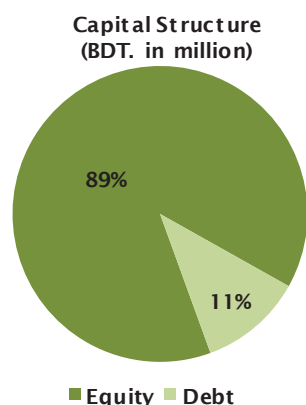
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Key Snapshot:

BDT. in million

Particulars	2022
Revenue	27.98
EBIT	1.98
Net Profit	1.77
Total Assets	16.77
Total Equity	14.87
Debt	1.90
Net Profit Margin (%)	6.3%
CCC (Days)	190.00
ICR (X)	9.89



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	25 July 2023	17 July 2024

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 & Medium Enterprise **Three**) rating under the SME Rating to **Esha Construction** (hereinafter referred as "EC" 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
- Moderate profitability margin
- 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 disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- Low management information system (MIS) and 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 EC 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.