

4th SURVEILLANCE CREDIT RATING REPORT EURO BENGAL ELECTRONICS & HARDWARE

Ref. no.: FR/2023/031873



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	04 July 2024

WCRSME3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD (BIC) 661/14B (P)/2014/2093.

Tk. in million

Bank Name	Mode of Investment	Limit Amount	Outstanding Amount	Outstanding Date
Uttara Bank Limited	CC(Hypo)	23.00	4.37	30.06.2023

Financial Based on– Unaudited financial statements on 31 December 2022, 2021, 2020.

Key Snapshot:

Particulars	2022	2021
Revenue	119.04	189.04
EBIT	13.50	25.00
Net Profit	12.50	22.00
Total Assets	76.79	93.80
Total Equity	69.44	73.45
Total Liabilities	7.35	20.35
Net Profit Margin (%)	10.50	11.64
Current Ratio (X)	10.42	4.60
Debt to Equity (X)	0.11	0.28

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 **Euro Bengal Electronics & Hardware** (hereinafter referred to as 'EBE&H' or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the enterprise which positioning of selling point at prime location, good market reputation and strong business network, and low levered position in the capital structure. However, the above factors are constrained to some extent by price volatility of trading products, manual accounting system, long cash conversion cycle, and lower profit margin.

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

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.

WCRCL also viewed the enterprise with "Stable" outlook and believes that EBE&H will be able to maintain its good fundamentals in the foreseeable future.

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