

INITIAL CREDIT RATING REPORT S. R ELECTRIC AND ELECTRONICS



Ref. no.: FR/2023/33201

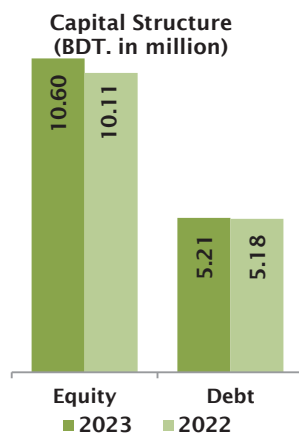
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Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	42.07	40.88
EBIT	4.60	4.42
Net Profit	4.48	4.31
Total Assets	15.81	15.29
Total Equity	10.60	10.11
Total debt	5.21	5.18
Net Profit Margin (%)	10.6%	10.5%
CCC (Days)	128	130
ICR (X)	51.08	52.00



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	22 August 2023	21 August 2024

Financial Based on- Un-audited financial statements for 30 June FY2023

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 and Medium Enterprise Three) rating under the SME Rating to S.R Electric And Electronics (hereinafter referred as "SRE&E" 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Comfortable interest coverage position
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the Enterprise has above Average Credit Quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that SRE&E 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.