

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT SARKER ELECTRONICS

Ref. no.: FR/2023/032704



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	25 July 2023	24 July 2024

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount	Tk. in million Outstanding Date
Islami Bank Bangladesh Limited	Bai-Murabaha	7.00	0.09	18.07.2023

## Key Snapshot:

Particulars	FY23	FY22
Revenue	66.16	60.15
EBIT	4.70	4.10
Net Profit	4.52	4.03
Total Assets	84.25	82.65
Total Equity	83.28	82.04
Debt	0.97	0.62
Net Profit Margin (%)	6.8	6.7
CCC (Days)	197	206
ICR (X)	37.12	146.54

**Financial Based on-** Audited financial statements up to 30<sup>th</sup> June FY23.

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME4' (pronounced as WASO Credit Rating Small and Medium Enterprise Four) rating under the SME Rating to Sarker Electronics (hereinafter referred to as 'SE' or 'The enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

The above ratings have been assigned based on the fundamentals of the enterprise which includes long business experiences of the proprietor, dealership of local Brand, high interest coverage, low gearing in the capital structure and satisfactory banking relationship.

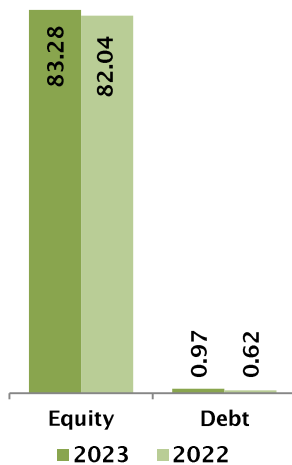
However, the above factors are constrained to some extent by no disclosure in the financial statement, tight liquidity position considering long cash conversion cycle, no insurance coverage for the inventory in stock, high competition in the industry, rented shop and warehouse and manual accounting process.

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

WCRCL also viewed the enterprise with "Stable" outlook and believes that SE 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.

Capital Structure  
(BDT. in million)



## Analysts:

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