

3rd SURVEILLANCE CREDIT RATING REPORT SHARNA ELECTRIC



Ref. no.: FR/2023/32177

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	31 May 2023	30 May 2024

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

Financial Based on unaudited financial statements up to 31 December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Sharna Electric (hereinafter referred as "SE" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good Net Worth of the Proprietor
- Low levered capital structure

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

- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

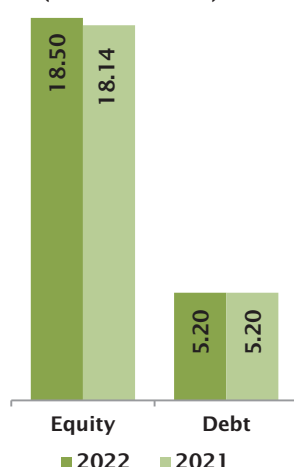
The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

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

Key Snapshot:

Tk. in million		
Particulars	2022	2021
Revenue	56.79	46.70
EBIT	6.25	5.75
Net Profit	5.50	5.50
Total Assets	23.70	23.34
Total Equity	18.50	18.14
Debt	5.20	5.20
Net Profit Margin (%)	9.7%	11.8%
CCC (Days)	103	115
ICR (X)	8.33	23.00

Capital Structure
(BDT. in million)



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