

# SURVEILLANCE CREDIT RATING REPORT SIKO ELECTRONICS



Ref. no.: FR/2023/32575

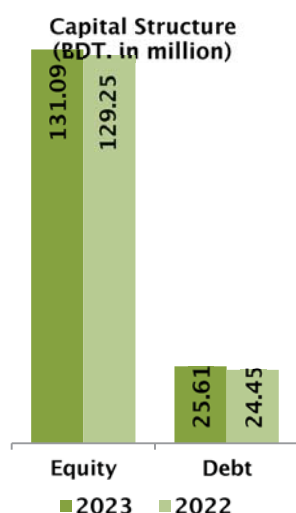
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## Key Snapshot:

BDT. in million

Particulars	2023	2022
Revenue	284.53	251.63
EBIT	35.12	31.47
Net Profit	26.85	23.63
Total Assets	156.70	153.70
Total Equity	131.09	129.25
Total debt	25.61	24.45
Net Profit Margin (%)	9.4%	9.4%
CCC (Days)	187	209
ICR (X)	23.01	25.89



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSME 3	Stable	04 July 2023	17 July 2024

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

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Islami Bank Bangladesh Limited	Composite facilities	50.00	4.872	30.06.2023
<b>Total</b>		<b>50.00</b>	<b>4.872</b>	

*Financial Based on—unaudited financial statements up to 30 June 2023.*

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Siko Electronics** (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
- 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
- Unrealistic interest coverage ratio
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The rating implies that the enterprise has an above 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.