# SURVEILLANCE CREDIT RATING REPORT

*BHUYAN ENTERPRISE*

***Ref. no.: FR/2022/026329***

***Report Contents:***



| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|---|---|---|---|---|
| | WCRSE 3 | Stable | 11 October 2022 | 09 October 2023 |

*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*

*Tk. In million*

| Name of the Bank | Mode of Investment | Sanctioned Amount | Outstanding Amount as on 30 September, 2022 |
|---|---|---|---|
| Dutch-Bangla Bank Limited | CC (Hypo) | 450.00 | 443.55 |
| | L/C | 1000.00 | 0.00 |
| | LTR | (500) | 0.00 |

***Financial Based on****- Management prepared financial statements up to 30 June 2021.*

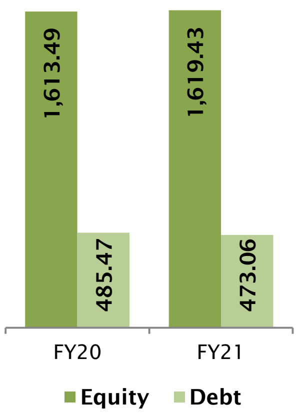
***Methodology:*** *SME Rating Methodology published on the WCRCL website at www.wasocreditrating.com*

***Key Snapshot:***

***Tk. in million***

| Particulars | FY21 | FY20 |
|---|---|---|
| Revenue | 1,309.1 | 1,348.8 |
| EBIT | 111.70 | 136.35 |
| Net Profit | 67.90 | 61.17 |
| Total Assets | 2,092.4 | 2,098.9 |
| Total Equity | 1,619.4 | 1,613.4 |
| Total Liabilities | 473.06 | 485.47 |
| Net Profit Margin (%) | 5.20 | 4.50 |
| Current Ratio (X) | 3.91 | 3.82 |
| Quick Ratio | 3.14 | 3.09 |
| CCC (days) | 451 | 452 |
| Debt/Equity (X) | 0.29 | 0.30 |
| ICR (X) | 2.55 | 1.81 |

**Capital Structure (Tk. in million)**




## RATING RATIONALE

WCRCL has reaffirmed '**WCRSE 3**' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Bhuiyan Enterprise** (hereinafter referred to as '**BE**' or ''The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above rating has been assigned based on the fundamentals of the enterprise which has good business experiences of the proprietor, maintained sound business relation with supplier & buyer, low leverage position in the capital structure, moderated interest coverage position, good banking conduct, used accounting software, maintained insurance coverage, satisfactory banking relationship.

However, the above factors are constrained to some extent by market saturation or high competition, price volatility of the products, market outlook derived tight related to linking industry (i.e. Textile & RMG), high dependency on external finance, decreasing business trend, stressed liquidity position considering long cash conversion cycle, no transportation facilities, average disclosure in the financial statement to review the true financial attribute of the enterprise. In addition to those proprietorship concern has low legal entity rather it reflects proprietary activities internal fund flow. Even management prepared financial statement does not support high level of authentication.

The SME rating implies that the enterprise is adjudged to **above average level** of credit worthiness in relation to other SE's.

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