

SURVEILLANCE CREDIT RATING REPORT
BANGLADESH FOUNDARY & ENGINEERING WORKS LIMITED

Ref. no.: FR/2022/028184



Report Contents:

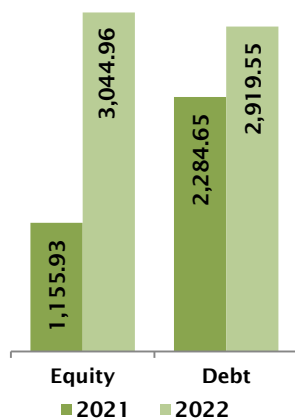
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Key Snapshot:

Tk. in million

Particulars	FY22	FY21
Revenue	1,034	1,754
COGS	808.49	1,433
Gross Profit	226.11	320.63
EBITDA	164.43	237.36
Financial Exp.	106.34	42.12
PAT	42.12	125.62
ICR (X)	1.55	5.26
Debt/Equity (X)	0.96	1.98
Net Profit Margin (%)	4.07	7.20
ROAA (%)	0.90	3.80
ROAE (%)	2.01	11.50

Capital Structure
(Tk. in million)



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A3	ST-3	Stable	18 December 2022	30 November 2023

Tk. in Million

Bank	Mode	Limit Amount	Outstanding Amount	Bank Loan Rating
Shahjalal Islami Bank Ltd. (30.11.2022)	HPSM	88.40	10.79	blr A3
	L/C (Sight/Deferred)	200.00	0.00	
	MPI TR	(50.00)	0.00	
	Baim Com. TR (WO)	1,500.0	1,843.08	blr ST-3
	BG (Bid-Bond/PG)	800.00	148.59	
	Baim Commercial TR	150.00	174.43	
Trust Bank Ltd. (30.11.2022)	Rev. Time Loan (WO)	550.00	238.11	
	Rev. OD	30.00	30.31	
	Rev. BG	350.00	137.28	blr ST-3
	Rev. L/C	(100.00)	10.52	
	Time Loan (One Off)	425.00	259.41	
	APG (One Off)	123.60	123.56	

Financial Based on Audited financial statement up to 30 June 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'A3' (pronounced as Single A Three) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to **Bangladesh Foundary & Engineering Works Limited** (hereinafter referred to as '**BFEWL**' or '**The Company**') based on its financial and other relevant qualitative and quantitative information up to the date of the rating issuance. WCRCL has also reaffirmed "blr A3" (pronounced as Bank Loan Rating Single A Three) rating to the long term loan outstanding and "blr ST-3" (pronounced as Bank Loan Rating Short Term Three) rating to the aggregated short term limit.

The above ratings have been assigned based on the fundamentals of the company which include experienced and skilled management, pioneer civil construction business of industrial plants in Bangladesh, long track of business experiences, the entity is a profitable concern, the company has ten big on-going projects, broad range of buyers, good banking conduct, owned business premises, availability of the supply of raw materials.

However, the above factors are constrained to average disclosure in the financial statement, moderate levered in the capital structure, marginal interest coverage position, high dependents on external sources, stressed liquidity position, receivable pile-up affecting working capital and informal accounting system.

The long term rating implies that the company rated upper medium grade and subject to low credit risk. The short term rating implies that the company has acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

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