

1st SURVEILLANCE CREDIT RATING REPORT BORSHA ENTERPRISE



Ref. no.: FR/2023/029546

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	13 February 2023	12 February 2024

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Financial Based on- unaudited financial statements for 30th June FY20-FY22.

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

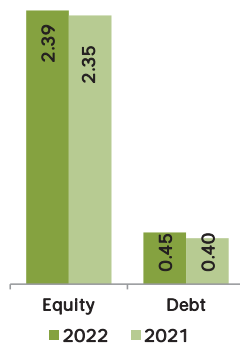
RATING RATIONALE

Key Snapshot:

BDT. In Million

Particulars	FY21	FY22
Revenue	11.99	13.50
EBIT	1.22	1.37
Net Profit	1.14	1.28
Total Assets	2.75	2.84
Total Equity	2.35	2.39
Debt	0.40	0.45
Net Profit Margin (%)	9.5	9.5
ICR (X)	77.18	86.75

Capital Structure
(BDT. in million)



WCRCL has reaffirmed 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Borsha Enterprise (hereinafter referred as "BE" 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
- Owned business premises
- Satisfactory banking relationship
- Good liquidity position in the capital structure
- Low levered capital structure
- Good interest coverage position

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

- Lack of disclosure in the financial statements
- No insurance coverage
- Market outlook derived tight related to linking industry (i.e. real estate)
- Low management information system (MIS) and Manual accounting system

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

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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