

CREDIT RATING REPORT BABUL STORE



Ref. no.: FR/2023/031119

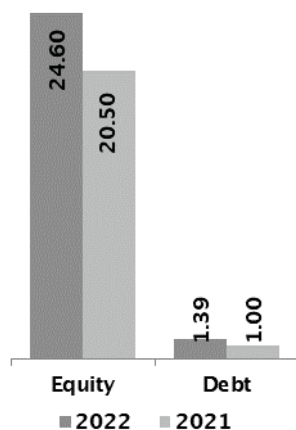
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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	13.57	12.03
EBIT	1.34	1.07
Net Profit	1.06	0.83
Total Assets	25.99	21.50
Total Equity	24.60	20.50
Total debt	1.39	1.00
Net Profit Margin (%)	7.8%	6.9%
CCC (Days)	445	426
ICR (X)	4.86	4.49

Capital Structure
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	07 May 2023	06 May 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

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Babul Store (hereinafter referred as "BS" 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
- Low levered capital structure
- Good interest coverage position

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

- Very small scale of business operation
- Tight liquidity position with long cash conversion cycle
- Rented business premises
- No insurance coverage for the inventory in stock
- Lack of disclosure in the 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 BS will be able to maintain its good fundamentals in the foreseeable future.