

SURVEILLANCE CREDIT RATING REPORT BHAI BHAI RICE MILL



Ref. no.: FR/2023/031009

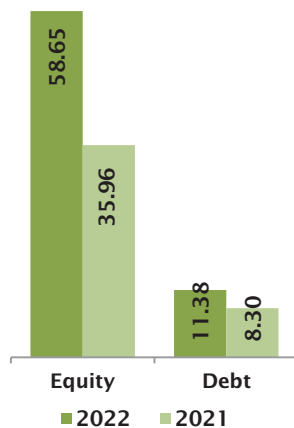
Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

Key Snapshot:

Particulars	2022	2021
Revenue	67.86	56.79
EBIT	5.98	4.80
Net Profit	5.30	4.29
Total Assets	70.04	44.26
Total Equity	58.65	35.96
Total debt	11.38	8.30
Net Profit Margin (%)	7.8%	7.5%
CCC (Days)	173	180
ICR (X)	9.50	10.24

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



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	07 May 2023	06 May 2024

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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Islami Bank Bangladesh Limited	Bai-Murabaha TR	7.00	10.17	13.03.2023
	Stimulus Fund	1.50		

BDT. in million

Financial Based on- Audited financial statements up to 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Bhai Bhai Rice Mill (hereinafter referred as "BBRM" 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 and storage facility
- Good mortgage security coverage against loan
- Good business network
- Good interest coverage position
- 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
- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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