

INITIAL CREDIT RATING REPORT THE BURJAN TEA ESTATES LIMITED

Ref. no.: FR/2023/29690



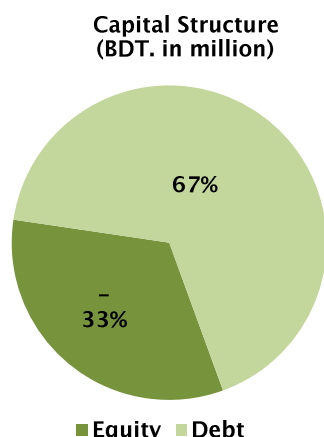
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Key Snapshot:

Tk. in million

Particulars	FY21	FY20
Revenue	158.04	142.69
EBIT	9.93	7.31
Net Profit	3.10	2.88
Total Assets	126.99	69.28
Total Equity	-122.0	-125.19
Debt	249.08	194.46
Net Profit Margin (%)	2.0%	2.0%
CCC (Days)	35.74	3.72
ICR (X)	1.86	1.65



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	13 February 2023	12 February 2024

Bank	Mode of Investment	Limit Amount	Outstanding Amount	Bank Loan Rating
Bangladesh Krishi Bank (12.02.2023)	CC	140.00	122.63	blr ST-3
	CC(Stimulus)	330.00	329.99	

** blr-Bank Loan Rating

Financial Based on-Audited financial statement up to 30th June 2021.

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

RATING RATIONALE

WCRCCL has assigned 'BBB2' (pronounced as Triple B Two) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to **The Burjan Tea Estates Limited** (hereinafter referred to as 'TBTEL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCCL has also assigned "blr BBB2" (pronounced as Bank Loan Rating Triple B Two) 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 experience of promoter in the tea industries, experienced and skilled management, Maintained sound business relation with buyer, satisfactory health and safety measures, organized marketing chain, insurance coverage for the inventory in stock, satisfactory banking relationship, majority, transaction of the company are made by cash and leased business premises. However, the above factors are constrained to average disclosure in the financial statement, highly levered in the capital structure, frequent labor strikes in the tea sector and further wage rise, tight liquidity position, poor profitability margin, and adverse shock in tea industry may affect revenue growth.

The long term rating implies that the company is subject to medium credit risk and considered medium grade and as such may possess certain speculative characteristics. 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.

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