

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT BORNALI JEWELLERS



Ref. no.: FR/2023/029762

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 March 2023	16 January 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

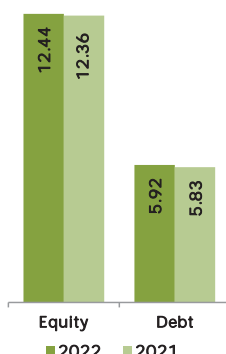
*Methodology:* SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

### Key Snapshot:

BDT. in million		
Particulars	2020	2022
Revenue	8.00	16.50
EBIT	1.20	1.05
Net Profit	0.75	0.75
Total Assets	14.82	18.36
Total Equity	9.35	12.44
Total debt	5.47	5.92
Net Profit Margin (%)	9.4	4.5
CCC (Days)	368	234
ICR (X)	2.67	3.50

Capital Structure  
(BDT. in million)



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WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Bornali Jewellers (hereinafter referred as "BJ" 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
- Good business network
- 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
- Tight liquidity position considering long cash conversion cycle
- 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 BJ will be able to maintain its good fundamentals in the foreseeable future.