

2nd SURVEILLANCE CREDIT RATING REPORT

B. S. LEATHER COMPLEX

Ref. no.: FR/2023/31609



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	23 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

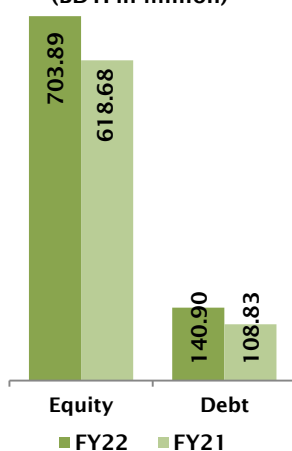
Tk. In million

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 31.05.2023
Mutual Trust Bank Limited	Term Loan	30.00	11.58
	CC (H)	80.00	61.43
	LC (Bills)	50.00	-
	LTR	(30.00)	-

Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	285.07	228.06
EBIT	91.61	52.43
Net Profit	85.94	47.12
Total Assets	844.79	727.51
Total Equity	703.89	618.68
Total debt	140.90	108.83
Net Profit Margin (%)	30.1	20.7
CCC (Days)	344	414
ICR (X)	16.14	11.65

Capital Structure
(BDT. in million)

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Financial Based on- Management prepared financial statement up to 30th June 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 **B. S. Leather Complex** (hereinafter referred to as 'BSLC' or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good interest coverage position
- Owned business premises and storage facility
- Good mortgage security coverage against loan
- Good business network
- Low levered capital structure

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

- Inventory holding risk
- Tight liquidity position with long cash conversion cycle
- Low disclosure of 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 BSLC will be able to maintain its good fundamentals in the foreseeable future.