

3rd SURVEILLANCE CREDIT RATING REPORT DULAL ENTERPRISE



Ref. no.: FR/2023/030842

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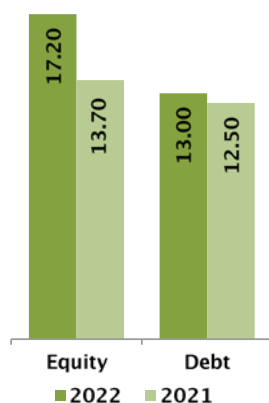
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Key Snapshot:

BDT. in million

| Particulars | 2021 | 2022 |
|-----------------------|-------|-------|
| Revenue | 77.42 | 85.16 |
| EBIT | 9.26 | 9.65 |
| Net Profit | 8.26 | 8.65 |
| Total Assets | 26.20 | 30.20 |
| Total Equity | 13.70 | 17.20 |
| Debt | 12.50 | 13.00 |
| Net Profit Margin (%) | 10.7 | 10.2 |
| CCC (Days) | 102 | 101 |
| ICR (X) | 9.26 | 9.65 |

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 | 09 March 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 |
|--------------------------------|--------------------|-------------------|--------------------|---------------------|
| United Commercial Bank Limited | OD | 4.00 | 4.19 | 30.03.2023 |
| | LC | 16.00 | - | |
| | LTR | 6.50 | 2.39 | |
| | Term Loan | 1.20 | 2.03 | |
| Total | | 27.70 | 8.61 | |

Financial Based on—Management prepared financial statements up to 31st December 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 Dulal Enterprise (hereinafter referred as "DE" 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
- 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:

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage
- 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 DE will be able to maintain its good fundamentals in the foreseeable future.