

INITIAL CREDIT RATING REPORT B.D. ASSOCIATES & CO.



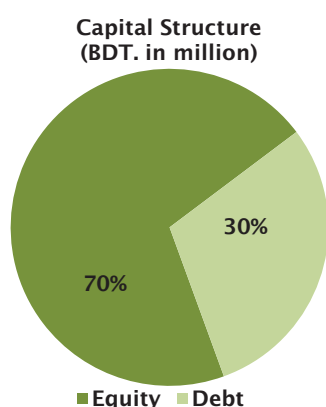
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Key Snapshot:

BDT. in million	
Particulars	2022
Revenue	66.54
EBIT	4.49
Net Profit	3.19
Total Assets	87.21
Total Equity	61.29
Total debt	25.92
Net Profit Margin (%)	4.8
CCC (Days)	157
ICR (X)	3.45



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SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	25 July 2023	24 July 2024

Financial Based on unaudited financial statements up to 31 December 2021.

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and medium Enterprise Three) rating under the SME Rating to B.D. Associates & Co. (hereinafter referred as "BDAC" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Low levered capital structure
- Comfortable interest coverage position

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 for the inventory in stock
- Low disclosure in the financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to Above average credit quality.

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

This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.