

1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT  
BABUL ENTERPRISE



Ref. no.: FR/2023/31851

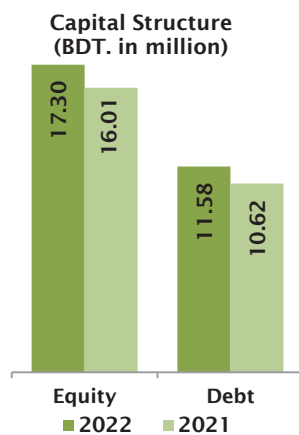
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	70.15	61.00
EBIT	8.05	6.68
Net Profit	6.92	5.64
Total Assets	28.88	26.63
Total Equity	17.30	16.01
Total debt	11.58	10.62
Net Profit Margin (%)	9.9%	9.2%
CCC (Days)	99	108
ICR (X)	8.18	7.46



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	12 June 2023	11 June 2024

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Babul Enterprise (hereinafter referred as "BE" 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
- Good interest coverage position
- Low levered capital structure

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
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to average level of credit worthiness in relation to other small enterprises.

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