

6th SURVEILLANCE CREDIT RATING REPORT CHOWDHURY & BROTHERS

Ref. no.: FR/2023/032225



Report Contents:

Particulars	Page
Rating Rationale	1
Owners Profile	2
Business Management	2
Market Review	2
Business Analysis	4
Financial Position Analysis	5
Banking Relationship and Security	6
Risk Factor Analysis	6
Rating Observation	6

SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	04 July 2023	11 May 2024

WCRSME4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

RATING RATIONALE

WCRCL has reaffirmed **WCRSME4** (pronounced as WASO Credit Rating Small & Medium Enterprise Four) rating under the SME Rating to **Chowdhury & Brothers** (hereinafter referred to as 'C&B' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the enterprise which include good business network, long business experiences of The Proprietor, profitability ratios were in increasing position, and good interest coverage position. However, the above factors are constrained to some extent by small scale of business operation, manual accounting process, moderate leverage position in the capital structure, majority transactions of the enterprise are made by credit, no disclosure in the financial statements, and no insurance coverage for the inventory in stock.

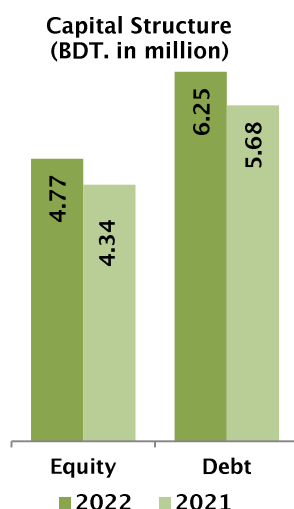
The SME rating implies that Chowdhury & Brothers is adjudged to average credit quality to other small & medium enterprises. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

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

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	22.10	20.09
EBIT	2.68	2.44
Net Profit	2.28	2.07
Total Assets	11.02	10.02
Total Equity	4.77	4.34
Debt	6.25	5.68
Net Profit Margin (%)	10.3%	10.3%
CCC (Days)	166	171
ICR (X)	6.68	6.68



Analysts:

Maharan Nasrin
maharan@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com