

6th SURVEILLANCE CREDIT RATING REPORT
DELWAR HOSSAIN & BROTHERS

Ref. no.: FR/2023/33302



Report Contents:		SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration	
Particulars	Page		WCRSME3	Stable	30 August 2023	07 August 2024	
Rating Rationale	1						
Business Profile	2						
Proprietor's Profile							
Management's Profile							
Business Analysis	3		Bank	Facility	Limit Amount	Outstanding Amount	Outstanding Date
Financial Analysis			Islami Bank Bangladesh PLC	Bai-Murabaha- TR	5.50	6.02	06/08/2023
Banking Position Analysis				4			
Risk Factors Analysis	4						
Rating Observations	5		Stimulus	1.00	0.05		
		Total			6.50	6.04	

Key Snapshot:

Tk. In Million		
Particulars	FY22	FY21
Revenue	79.54	71.83
EBIT	5.66	4.94
Net Profit	5.17	4.70
Total Assets	73.26	68.65
Total Equity	66.05	61.48
Debt	7.21	7.18
Net Profit Margin (%)	6.5	6.5
CCC (Days)	184	192
ICR (X)	12.95	24.24

Financial Based on: Audited financial statements up to 30th June 2022.

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

RATING RATIONALE

WCRCL has reaffirmed **WCRSME3** (Pronounced WASO Credit Rating Small And Medium Enterprise Three) rating to **Delwar Hossain & Brothers** (hereinafter referred to as 'DHB' or 'The enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the enterprise.

The above ratings have been assigned based on the fundamentals of the enterprise which include long business experiences of the proprietor, good business network, maintained sound business relation with supplier & buyer, low leverage position in the capital structure, good interest coverage position, comfortable security arrangement, satisfactory banking relationship with regular loan repayment history, the entity is a profitable concern and owned business premises.

However, the above factors are constrained to some extent by average disclosure in the financial statement, market saturation or high competition, tight liquidity position considering long cash conversion cycle, high inventory pile-up affecting working capital, informal accounting system, proprietorship concern has low legal obligation as an entity, price volatility of trading products and no insurance coverage.

The SME rating implies that the enterprise is adjudged **above average** credit quality.

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

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