

## 2<sup>nd</sup> SURVEILLANCE CREDIT RATING REPORT BENGAL ENTERPRISE



Ref. no.: CRAR-6065/2023

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	10 October 2023	09 October 2024

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

### RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Bengal 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:

- Long business experiences of the proprietor in the business
- Good business network
- Good profitability margin
- Owned business premises and storage facility
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

However, the above rating has been moderated to some extent due to some factors like:

- Low disclosure in the financial statements
- Highly levered capital structure
- Tight liquidity position considering long cash conversion cycle
- Manual accounting system

The SME rating implies that the enterprise has above average credit quality.

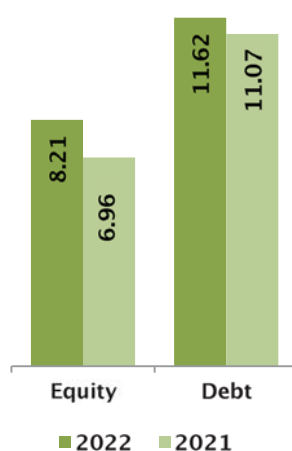
WCRCL also viewed the enterprise with "Stable" outlook and believes that BE will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

### Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	52.17	47.00
EBIT	4.49	3.59
Net Profit	4.44	3.57
Total Assets	19.83	18.03
Total Equity	8.21	6.96
Total debt	11.62	11.07
Net Profit Margin (%)	8.5	7.6
CCC (Days)	134.02	143.05
ICR (X)	200	1,505

Capital Structure  
(BDT. in million)



### Analysts:

**Md. Akter Hossain**  
akter@wasocreditrating.com

**Md. Rafiul Bary**  
rafi@wasocreditrating.com