

6th SURVEILLANCE CREDIT RATING REPORT

BHUYAN ENTERPRISE

Ref. no.: CRAR-2961/2023



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	31 October 2023	09 October 2024

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Tk. In million

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 26.10.2023
Dutch-Bangla Bank Limited	CC (Hypo)	450.00	462.85
	L/C	1000.00	0.00
	LTR	(500)	0.00

Key Snapshot:

Tk. in million

Particulars	FY22	FY21
Revenue	916.37	1,309.10
EBIT	50.48	111.71
Net Profit	9.47	67.90
Total Assets	1,376.92	2,092.50
Total Equity	931.40	1,619.43
Debt	445.52	473.07
Net Profit Margin (%)	1.0%	5.2%
CCC (Days)	539	445
ICR (X)	1.23	2.55

Financial Based on- Management prepared financial statements up to 30 June 2022.

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

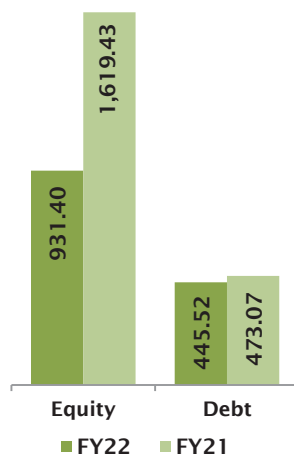
RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Bhuiyan Enterprise** (hereinafter referred to as 'BE' or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above rating has been assigned based on the fundamentals of the enterprise which has good business experiences of the proprietor, maintained sound business relation with supplier & buyer, low leverage position in the capital structure, moderated interest coverage position, good banking conduct, used accounting software, maintained insurance coverage, satisfactory banking relationship.

However, the above factors are constrained to some extent by market saturation or high competition, price volatility of the products, market outlook derived tight related to linking industry (i.e. Textile & RMG), high dependency on external finance, decreasing business trend, stressed liquidity position considering long cash conversion cycle, no transportation facilities, average disclosure in the financial statement to review the true financial attribute of the enterprise. In addition to those proprietorship concern has low legal entity rather it reflects proprietary activities internal fund flow. Even management prepared financial statement does not support high level of authentication.

Capital Structure (BDT. in million)



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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 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.