

7th SURVEILLANCE CREDIT RATING REPORT BEAUTY COLOUR & CO.

Ref. no.: CRAR-2050/2023



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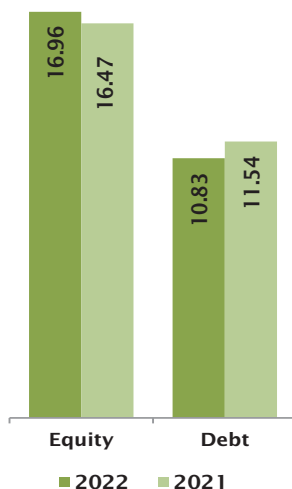
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Key Snapshot:

Tk. in million

Particulars	2022	2021
Revenue	62.10	60.30
EBIT	6.20	5.90
Net Profit	5.27	5.18
Total Assets	27.72	27.92
Total Equity	16.96	16.47
Debt	10.83	11.54
Net Profit Margin (%)	8.5	8.6
CCC (Days)	164	172
ICR (X)	7.06	8.80

Capital Structure (BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	23 November 2023	22 November 2024

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 Enterprise Three) rating under the SME Rating **Beauty Colour & Co.** (hereinafter referred to as **‘BCC’** 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 includes:

- Long business experiences of the proprietor in the business.
- Owned business premises and storage facility
- Good Profitability margin
- Low levered capital structure
- Satisfactory banking relationship

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

- Low disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- 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 **BCC** 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.