

4th SURVEILLANCE CREDIT RATING REPORT
BABU ENTERPRISE

Ref. no.: CRAR-5788/2023



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 December 2023	18 December 2024

BDT. in million

Bank Name	Mode of Investment	Limit Amount	Outstanding Amount as on 30.09.2023
Uttara Bank PLC	CC (H)	4.00	4.194

Financial Based on- Management prepared financial statements as on 31 December 2022.

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

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	40.25	35.00
EBIT	5.44	4.68
Net Profit	4.70	4.00
Total Assets	26.82	26.17
Total Equity	19.74	19.67
Debt	7.09	6.50
Net Profit Margin (%)	11.7%	11.4%
CCC (Days)	139	153
ICR (X)	7.98	7.55

RATING RATIONALE

WCRCL has reaffirmed **WCRSME3** (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **Babu 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.

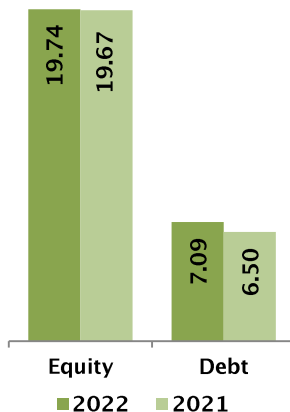
The above ratings have been assigned based on the fundamentals of the enterprise which experience manage team, moderated leverage position, good debt coverage position, and comfortable security arrangement. However, the above factors are constrained to some extent by manual accounting system, stressed liquidity position due to huge inventory in stock, and lack of disclosure in the financial statements.

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

WCRCL also viewed Babu Enterprise with "Stable" outlook and believes that the enterprise 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.

Capital Structure
(BDT. in million)



Analysts:

Nazrul Islam
nazrul@wasocreditrating.com

Ummay Fatema
fatema@wasocreditrating.com