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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	19 December 2023	18 December 2024

Financial Based on-Unaudited financial statements up to 31 December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed ‘WCRSME4’ (pronounced as WASO Credit Rating Small & Medium Enterprise Four) rating under the SME Rating to **Bhai Bhai Enterprise** (hereinafter referred as “BBE” 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 reaffirmed based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Satisfactory banking relationship
- Low levered capital structure
- Good debt coverage position

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

- Small scale in the business
- Tight liquidity position with long cash conversion cycle
- No disclosure of financial statements
- No insurance coverage for the inventory in stock
- Lower profit margin
- Manual accounting system

The rating implies that the enterprise has average credit quality.

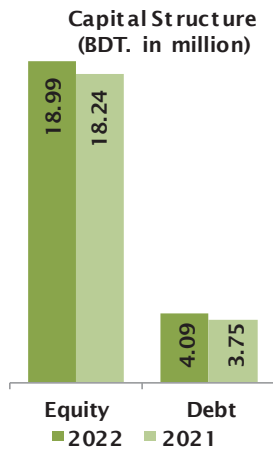
WCRCL also viewed the enterprise with “Stable” outlook and believes that BBE will be able to maintain its good fundamentals in the foreseeable future.

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	31.72	27.58
EBIT	3.73	3.19
Net Profit	3.52	3.00
Total Assets	23.07	21.99
Total Equity	18.99	18.24
Total debt	4.09	3.75
Net Profit Margin (%)	11.1%	10.9%
CCC (Days)	213	233
ICR (X)	18.32	17.21



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