

3rd SURVEILLANCE CREDIT RATING REPORT
BIPLAB HARDWARE AND PAINT AGENCY

Ref. no.: CRAR-6765/2023



Report Contents:

| Particulars | Page |
|-----------------------------|------|
| Rating Rationale | 1 |
| Business Profile | 2 |
| Business Management | 2 |
| Business Analysis | 2 |
| Financial Position Analysis | 3 |
| Banking Relationship | 3 |
| Risk Factor Analysis | 4 |
| Rating Observation | 4 |

| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
| | WCRSME3 | Stable | 12 December 2023 | 11 December 2024 |

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

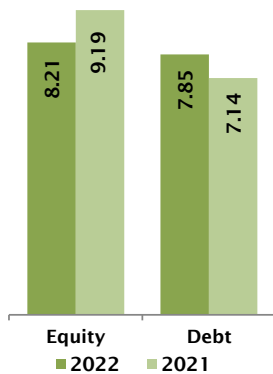
RATING RATIONALE

WCRCL has reaffirmed ‘WCRSME3’ (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Biplab Hardware And Paint Agency (hereinafter referred as “BHAPA” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

| Particulars | Tk. In Million | |
|-----------------------|----------------|-------|
| | 2022 | 2021 |
| Revenue | 45.38 | 36.30 |
| EBIT | 3.63 | 2.90 |
| Net Profit | 3.35 | 2.66 |
| Total Assets | 16.07 | 16.33 |
| Total Equity | 8.21 | 9.19 |
| Debt | 7.85 | 7.14 |
| Net Profit Margin (%) | 7.4 | 7.3 |
| CCC (Days) | 50 | 57 |
| ICR (X) | 13.04 | 12.00 |

Capital Structure (BDT. in million)



The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Good business network
- Long business experiences of the Proprietor
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- No disclosure of financial statements
- Low management information system (MIS) and 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 BHAPA 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.

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