

**Report Contents:**

Particulars	Page
Rating Rationale	1
Entity Profile	2
Owner's Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	12 December 2023	26 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 **Bismillah Scientific Company** (hereinafter referred as "BSC" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

**Key Snapshot:**

*BDT. in million*

Particulars	2022	2021
Revenue	33.08	28.77
EBIT	3.92	2.72
Net Profit	3.69	2.52
Total Assets	12.64	11.59
Total Equity	10.13	9.31
Debt	2.51	2.28
Net Profit Margin (%)	11.2	8.8
CCC (Days)	109	112
ICR (X)	17.46	13.71

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

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

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

- Low disclosure in the financial statements
- Small scale in the business
- 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 **BSC** 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.

**Analysts:**

**Md. Akter Hossain**  
akter@wasocreditrating.com

**Md. Rafiul Bary**  
rafi@wasocreditrating.com

