

# 3<sup>rd</sup> SURVEILLANCE CREDIT RATING REPORT HABIB TRADING



Ref. no.: FR/2023/030059

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	12 March 2023	11 March 2024

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Tk. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (Hypo)	6.00	5.99	14.02.2023

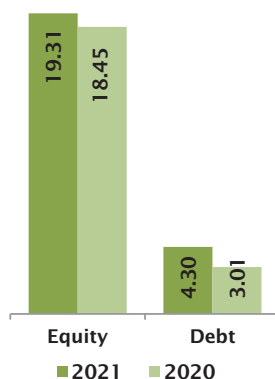
Financial Based on unaudited financial statements up to 31 December 2022.

Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## Key Snapshot:

Particulars	2022	2021
Revenue	34.97	27.00
EBIT	4.51	1.95
Net Profit	3.63	1.45
Total Assets	28.88	23.61
Total Equity	20.08	19.31
Debt	8.80	4.30
Net Profit Margin (%)	10.4%	5.4%
CCC (Days)	224	249
ICR (X)	5.13	3.91

Capital Structure  
(BDT. in million)



## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Habib Trading (hereinafter referred as "HT" 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 assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Moderate interest coverage position

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

- Tight liquidity position with long cash conversion cycle
- Levered capital structure
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to average level of credit worthiness in relation to other small enterprises.

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

## Analysts:

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