

2nd SURVEILLANCE CREDIT RATING REPORT HARUN TRADERS



Ref. no.: FR/2022/027873

Report Contents:

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

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	18 December 2022	17 December 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (H)	1.20	0.62	11.12.2022

BDT. in million

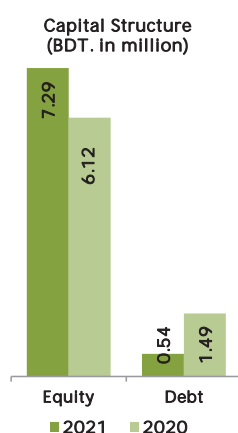
Financial Based on-Management prepared financial statements up to 31st December 2021.

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

Key Snapshot:

BDT. in million

Particulars	2020	2021
Revenue	5.69	6.54
EBIT	1.26	1.48
Net Profit	1.12	1.34
Total Assets	7.61	7.82
Total Equity	6.12	7.29
Debt	1.49	0.54
Net Profit Margin (%)	19.7	20.4
CCC (Days)	331	308
ICR (X)	9.30	9.99



RATING RATIONALE

WCRCL has upgrade 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Harun Traders (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
- Good business network
- Satisfactory banking relationship
- Low levered capital structure
- Good interest coverage ratio

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

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- Inventory holding risk
- No insurance policy
- Low management information system (MIS) and Manual accounting system

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The SME rating implies that the enterprise is adjudged to above 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.