1st SURVEILLANCE CREDIT RATING REPORT

HABIB TRADERS

Ref. no.: FR/2022/28548

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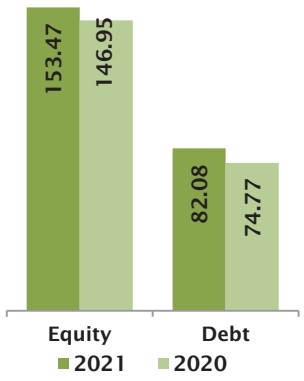
Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	327.27	284.59
EBIT	37.06	32.37
Net Profit	36.53	31.88
Total Assets	235.54	221.72
Total Equity	153.47	146.95
Total debt	82.08	74.77
Net Profit Margin (%)	11.2%	11.2%
CCC (Days)	201	220
ICR (X)	76.65	73.65

Capital Structure (BDT. in million)



Analysts:

Juthi Khanum
juthi@wasocreditrating.com

Ummay Fatema
fatema@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	27 December 2022	26 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

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Habib 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good interest coverage position
- 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 insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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.