

# 4<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT HOQUE HARDWARE STORE

Ref. no.: FR/2022/028953



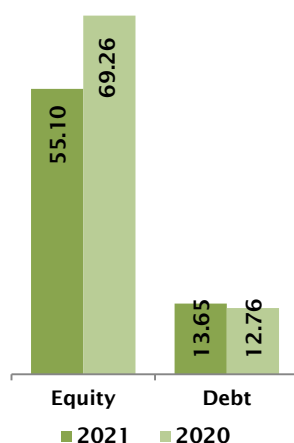
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## Key Snapshot:

Particulars	2021	2020
Revenue	197.57	188.16
EBIT	28.14	26.98
Net Profit	20.75	18.93
Total Assets	68.76	82.01
Total Equity	55.10	69.26
Debt	13.65	12.76
Net Profit Margin (%)	10.5%	10.1%
CCC (Days)	94.85	118.38
ICR (X)	37.61	13.38

Capital Structure  
(BDT. in million)



## Analysts:

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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

Tk. In million

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 08.12.2022
Islami Bank Bangladesh Limited	Composite (LC, Bills, MPI, MTR)	32.00	nil

Same limits interchangeably used by A O M Traders Outstanding 23.88 million as on 08.12.2022

**Financial Based on-** unaudited financial statements up to 31 December 2021.

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

## RATING RATIONALE

WCRCL has upgraded 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Hoque Hardware Store (hereinafter referred to as 'HHS' or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above rating has been assigned based on the fundamentals of the enterprise which has positioning of selling point at prime area, long experience of the proprietor in the business, maintained insurance coverage and low leverage position in the capital structure. However, the above factors are constrained to some extent by lack of disclosure in the financial statements, manual accounting system, tight liquidity position with long cash conversion cycle and transportation facilities and price volatility of trading products.

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other SE's.

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