

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 4 | Stable | 28 March 2023 | 14 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

| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount | Date of Outstanding |
|-------------------------|--------------------|-------------------|--------------------|---------------------|
| Mercantile Bank Limited | SOD (Gen.) | 3.50 | 3.50 | 14.03.2023 |
| | BG | 2.00 | 1.19 | |
| | Total | 5.50 | 4.69 | |

BDT. in million

Key Snapshot:

| Particulars | 2020 | 2021 |
|-----------------------|-------|-------|
| Revenue | 34.00 | 37.50 |
| EBIT | 1.21 | 3.23 |
| Net Profit | 0.27 | 2.29 |
| Total Assets | 14.19 | 11.98 |
| Total Equity | 8.29 | 5.48 |
| Debt | 5.90 | 6.50 |
| Net Profit Margin (%) | 0.8 | 6.1 |
| ICR (X) | 4.23 | 3.44 |

Financial Based on- **Management prepared financial statements for 31st December, 2018-2021.**

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Halima Enterprise (hereinafter referred to as 'HE' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

The above ratings have been assigned based on the fundamentals of the enterprise which include long experience of the proprietor in the business, strong business network, satisfactory banking relationship and good interest coverage position. However, the above factors are constrained to some extent by lack of disclosure in the financial statements, high leverage position in the capital structure market outlook derived tight related to linking industry (i.e. real estate), manual accounting system and no insurance coverage in the business.

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 HE will be able to maintain its good fundamentals in the foreseeable future.

Analysts:

Mst. Irin Akter
irin@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

