

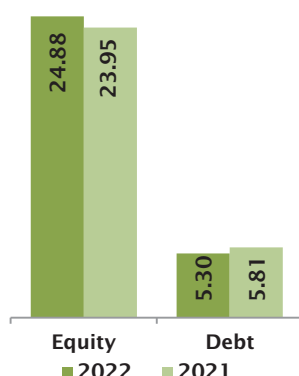
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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	60.17	46.99
EBIT	7.00	4.85
Net Profit	6.00	4.85
Total Assets	30.18	29.77
Total Equity	24.88	23.95
Debt	5.30	5.81
Net Profit Margin (%)	10.0	10.3
CCC (Days)	86	98
ICR (X)	7.00	n/a

Capital Structure
(BDT. in million)



Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	11 June 2024

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 reaffirmed ‘**WCRSE 3**’ (pronounced as WASO Credit Rating Small Enterprise **Three**) rating under the SME Rating to **HRG Environmental Engineering Limited** (hereinafter referred as “**HRGEEL**” or “**The Company**”) 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 Company which includes:

- Experienced and skilled management
- Owned business premises and storage facility
- 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:

- Low disclosure of financial statements
- No insurance coverage
- Tight liquidity position with long cash conversion cycle
- Low management information system (MIS) and Manual accounting system

The SME rating implies that The Company is adjudged to **above average level** of credit worthiness in relation to other small enterprises.

WCRCL also viewed The Company with “**Stable**” outlook and believes that HRGEEL will be able to maintain its good fundamentals in the foreseeable future.