

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT HABIB ENTERPRISE



Ref. no.: FR/2023/32240

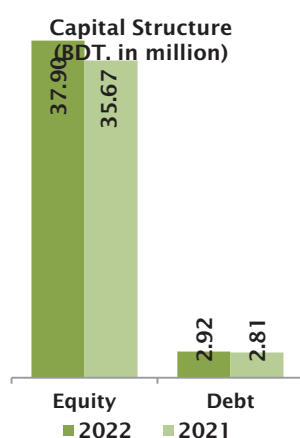
## Report Contents:

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

## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	110.04	107.54
EBIT	5.56	5.12
Net Profit	5.24	5.02
Total Assets	40.83	38.48
Total Equity	37.90	35.67
Total debt	2.92	2.81
Net Profit Margin (%)	4.8%	4.7%
CCC (Days)	68	63
ICR (X)	17.72	55.85



SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

WCRSME3 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](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Habib Enterprise (hereinafter referred as "HE" 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
- 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
- Tin not provide
- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the Enterprise has **above** Average Credit Quality.

## Analysts:

**Juthi Khanum**  
[juthi@wasocreditrating.com](mailto:juthi@wasocreditrating.com)

**Ummay Fatema**  
[fatema@wasocreditrating.com](mailto:fatema@wasocreditrating.com)

WCRCL also viewed the enterprise with "Stable" outlook and believes that HE will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.