

1st SURVEILLANCE CREDIT RATING REPORT
HAFSA BAKERY



Ref. no.: FR/2023/30302

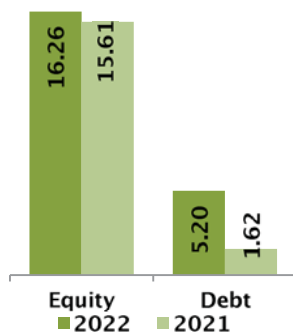
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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	49.76	49.52
EBIT	2.26	2.15
Net Profit	1.92	1.83
Total Assets	21.46	17.23
Total Equity	16.26	15.61
Total debt	5.20	1.62
Net Profit Margin (%)	3.9	3.7
CCC (Days)	129	115
ICR (X)	7.30	7.53

Capital Structure
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	13 February 2023	12 February 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

Financial Based on-audited financial statements up to 31 December 2022.

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 Hafsa Bakery (hereinafter referred as "HB" 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:

- Good business network
- Long business experiences of the proprietor
- Low leverage position in the capital structure
- Good interest coverage position
- Good Profitability margin
- Comfortable security arrangement

However, the above rating has been moderated to some extent due to some factors like:

- Tight liquidity position with long cash conversion cycle
- Average disclosure in the financial statement
- Small scale in the business
- Price volatility of trading products
- No insurance coverage

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