

3rd SURVEILLANCE CREDIT RATING REPORT HAZI LAVU SHIKDER & SONS



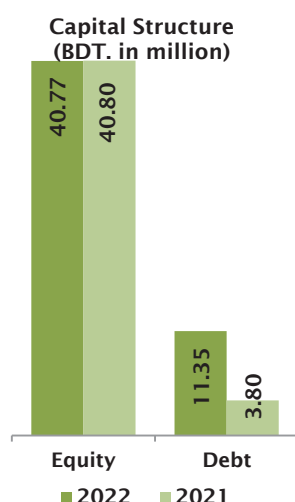
Ref. no.: FR/2023/33876

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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	97.29	84.60
EBIT	8.93	8.50
Net Profit	7.96	7.60
Total Assets	52.12	51.20
Total Equity	40.77	40.80
Debt	11.35	3.80
Net Profit Margin (%)	8.2	9.0
CCC (Days)	111	139
ICR (X)	11.60	12.14



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	26 September 2023	25 September 2024

BDT. in million				
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Agrani Bank Limited	CC (H)	10.00	4.98	07.08.2023

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

Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Hazi Lavu Shikder & Sons (hereinafter referred as "HLSS" 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
- Good business network
- Low levered capital structure
- Good interest coverage position
- Good mortgage security coverage against loan

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

- Low disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- Inventory holding risk
- Manual accounting system

The SME rating implies that the enterprise is adjudged to above average credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that HLSS 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.