

INITIAL CREDIT RATING REPORT HAQUE GROUP CORPORATION



Ref. no.: FR/2023/33785

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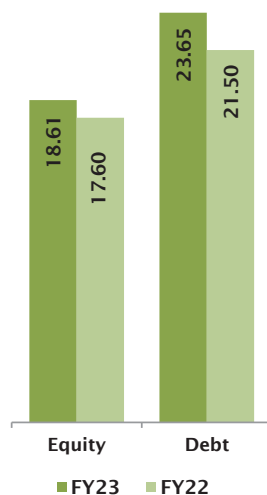
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Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	155.34	141.22
EBIT	14.39	12.90
Net Profit	14.06	12.60
Total Assets	42.26	39.10
Total Equity	18.61	17.60
Total debt	23.65	21.50
Net Profit Margin (%)	9.0%	8.9%
CCC (Days)	44.42	46.54
ICR (X)	43.60	42.99

Capital Structure
(BDT. in million)



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

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

RATING RATIONALE

WCRCCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Haque Group Corporation** (hereinafter referred as "HGC" 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
- Owned business premises and storage facility
- Good Profitability margin
- Good liquidity position with short cash conversion cycle
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- Low disclosure in the financial statements
- Highly levered capital structure
- No insurance coverage for the inventory in stock
- Manual accounting system

The SME rating implies that the enterprise has **above average credit quality**.

WCRCCL also viewed the enterprise with "Stable" outlook and believes that HGC 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.