

1st SURVEILLANCE CREDIT RATING REPORT
HOSSAIN FILLING STATION



Ref. no.: FR/2023/32944

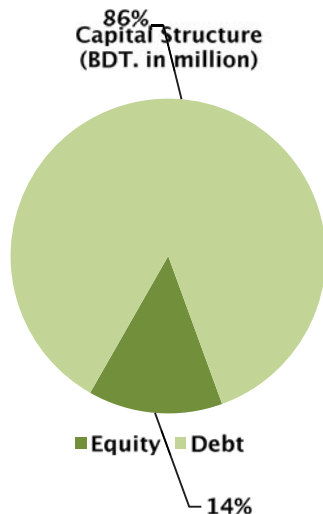
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Key Snapshot:

BDT. in million

Particulars	2022
Revenue	25.62
EBIT	2.59
Net Profit	1.78
Total Assets	30.44
Total Equity	4.20
Total debt	26.24
Net Profit Margin (%)	7.0%
CCC (Days)	206
ICR (X)	4.01



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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	25 July 2023	24 July 2024

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **Hossain Filling Station** (hereinafter referred as "HFS" 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
- Owned business premises and storage facility
- Suitable geographical location
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good interest coverage position

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

- Tight liquidity position with long cash conversion cycle
- Dependent on single supplier
- No insurance coverage
- High levered capital structure
- Low disclosure of financial statements
- Manual accounting system

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

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