

1st SURVEILLANCE CREDIT RATING REPORT HRIHAN ENTERPRISE



Ref. no.: FR/2023/032294

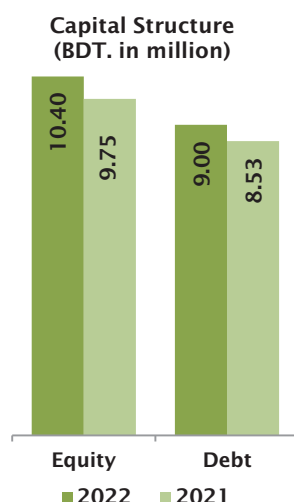
Report Contents:

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

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	70.00	65.23
EBIT	6.40	6.40
Net Profit	5.72	5.59
Total Assets	19.40	18.28
Total Equity	10.40	9.75
Total debt	9.00	8.53
Net Profit Margin (%)	8.2%	8.6%
CCC (Days)	88	98
ICR (X)	9.41	8.07



Analysts:

Ummay Fatema
fatema@wasocreditrating.com

Al Amin Jewel
jewel@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSME 3	Stable	04 July 2023	05 July 2024

WCRSME 3 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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME 3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Hrihan Enterprise (hereinafter referred as "RE" 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 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
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

WCRCL also viewed the Enterprise with "Stable" outlook and believes that NA 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.