

2nd SURVEILLANCE CREDIT RATING REPORT HAQUE ENTERPRISE



Ref. no.: CRAR-9187/2023

Report Contents:

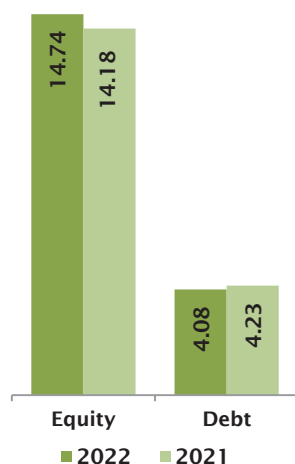
Particulars	Page
Rating Rationale	1
Entity Profile	2
Owner's Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	85.80	98.67
EBIT	2.86	3.37
Net Profit	2.78	3.33
Total Assets	18.83	18.42
Total Equity	14.74	14.18
Total debt	4.08	4.23
Net Profit Margin (%)	3.2	3.4
CCC (Days)	62	51
ICR (X)	81.85	-

Capital Structure
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	25 October 2023	24 October 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

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 Haque Enterprise (hereinafter referred as "HE" 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
- Moderate profitability margin
- Good mortgage security coverage against loan
- Low levered capital structure
- Satisfactory banking relationship

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
- Extensive competition to the market
- Low management information system (MIS) and Manual accounting system

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

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