

INITIAL CREDIT RATING REPORT HOSSIAN ENTERPRISE C.C. LIMITED



Ref. no.: FR/2023/033615

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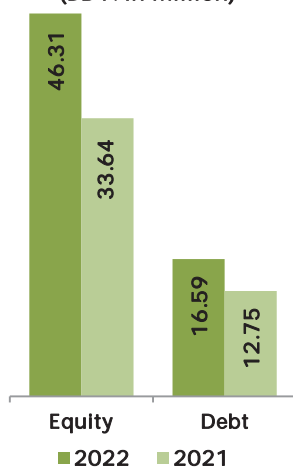
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Key Snapshot:

BDT. In million

Particulars	2022	2021
Revenue	168.73	113.12
EBIT	22.06	14.01
Net Profit	12.67	7.66
Total Assets	62.90	46.39
Total Equity	46.31	33.64
Total debt	16.59	12.75
Net Profit Margin (%)	7.5	6.8
CCC (Days)	29	n/a
ICR (X)	5.70	5.93

Capital Structure
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 September 2023	18 September 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 and Medium Company Three) rating under the SME Rating to Hossain Company C.C. Limited (hereinafter referred as "HECCL" or "The Company") 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 company which includes:

- Experienced and skilled management
- Good business network
- Maintained sound business relation with supplier & buyer
- Good profitability margin
- Low levered capital structure
- Good liquidity position with short cash conversion cycle
- Comfortable interest coverage position
- Satisfactory banking relationship

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

- Average disclosure in the financial statements
- No insurance coverage for the inventory in stock
- Manual accounting system

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

WCRCL also viewed the company with "Stable" outlook and believes that HECCL 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.