

INITIAL CREDIT RATING REPORT MS MD. ABUL HASHEM



Ref. no.: FR/2023/33966

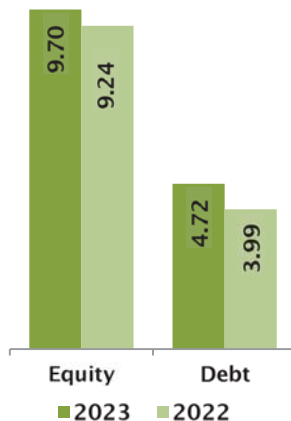
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Key Snapshot:

BDT. in million		
Particulars	2023	2022
Revenue	30.28	28.57
EBIT	4.02	3.03
Net Profit	3.53	2.86
Total Assets	14.42	13.23
Total Equity	9.70	9.24
Total debt	4.72	3.99
Net Profit Margin (%)	11.6%	10.0%
CCC (Days)	114	117
ICR (X)	9.67	25.12

Capital Structure
(BDT. in million)



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

Financial Based on—unaudited financial statements up to 30 June 2023.

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 MS Md. Abul Hashem (hereinafter referred as "MAH" 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:

- Long business experience of the proprietor in the business
- Low levered capital structure
- 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:

- Poor disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock
- 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 MAH 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.