

3<sup>rd</sup> SURVEILLANCE CREDIT RATING REPORT  
SOHEL HARDWARE  
Ref. no.: FR/2023/31736



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	11 June 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

Tk. in million

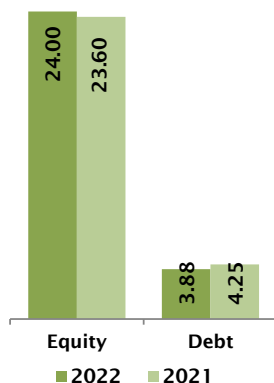
Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding as on 11.06.2022
Uttara Bank PLC	CC (H)	2.00	–

Key Snapshot:

Tk. In Million

Particulars	2022	2021
Revenue	11.71	11.65
EBIT	1.29	1.22
Net Profit	1.00	0.93
Total Assets	27.88	27.85
Total Equity	24.00	23.60
Debt	3.88	4.25
Net Profit Margin (%)	8.5	8.0
CCC (Days)	240	238
ICR (X)	5.06	4.78

Capital Structure  
(BDT. in million)



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RATING RATIONALE

WCRCL has upgraded 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Sohel Hardware** (hereinafter referred to as 'SH' or 'The enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good business network
- Owned business premises and storage facility
- Satisfactory banking relationship
- Low levered capital structure
- Good mortgage security coverage against loan

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

- Low disclosure of financial statements
- No insurance coverage
- Low management information system (MIS)
- Manual accounting system
- Tight liquidity position with long cash conversion cycle

The SME rating implies that the enterprise is adjudged above **average level** of credit worthiness in relation to other small enterprises.

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