

**Report Contents:**

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

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	05 December 2023	04 December 2024

*Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)*

**RATING RATIONALE**

WCRCL has reaffirmed ‘WCRSME3’ (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to Hadid International (hereinafter referred as “HI” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

**Key Snapshot:**

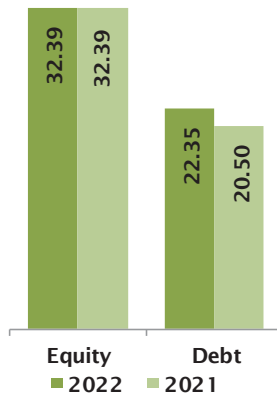
*BDT. in million*

Particulars	2022	2021
Revenue	54.63	47.50
EBIT	13.39	11.60
Net Profit	11.50	9.88
Total Assets	54.74	52.90
Total Equity	32.39	32.39
Total debt	22.35	20.50
Net Profit Margin (%)	21.1%	20.8%
CCC (Days)	-34	-9
ICR (X)	7.16	6.82

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
- Good liquidity position with short cash conversion cycle
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Owned business premises and storage facility

**Capital Structure (BDT. in million)**



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

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

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

WCRCL also viewed the enterprise with “Stable” outlook and believes that HI 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.

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