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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	21 November 2023	20 November 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 Enterprise Three) rating under the SME Rating to Harun Corporation (hereinafter referred as “HC” 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
- Good business network
- Owned business premises and storage facility
- Good Profitability margin
- 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:

- Low disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- No insurance coverage

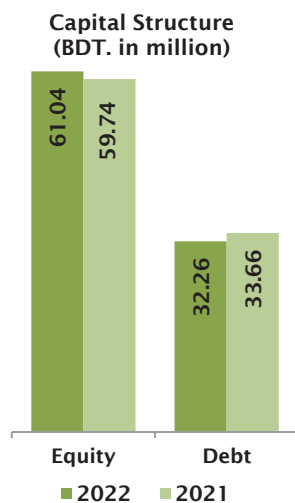
The SME rating implies that the enterprise has **above average credit quality**.

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

**Key Snapshot:**

*BDT. in million*

Particulars	2022	2021
Revenue	220.80	193.20
EBIT	24.90	23.10
Net Profit	22.90	21.20
Total Assets	93.30	93.40
Total Equity	61.04	59.74
Total debt	32.26	33.66
Net Profit Margin (%)	10.4	11.0
CCC (Days)	96	117
ICR (X)	16.60	16.50



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