

5th SURVEILLANCE CREDIT RATING REPORT
HOQUE HARDWARE STORE

Ref. no.: CRAR-3050/2023



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| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
| | WCRSME3 | Stable | 26 December 2023 | 26 December 2024 |

Tk. In million

| Name of the Bank | Mode of Investment | Sanctioned Amount | Outstanding Amount as on 18.12.2023 |
|----------------------------|---------------------------------|-------------------|-------------------------------------|
| Islami Bank Bangladesh PLC | Composite (LC, Bills, MPI, MTR) | 45.00 | - |

Same limits interchangeably used by A O M Traders Outstanding 11.90 million as on 18.12.2023.

Key Snapshot:

| Particulars | Tk. in million | |
|-----------------------|----------------|--------|
| | 2021 | 2022 |
| Revenue | 197.57 | 227.20 |
| EBIT | 28.14 | 32.57 |
| Net Profit | 20.75 | 25.10 |
| Total Assets | 68.76 | 71.50 |
| Total Equity | 55.10 | 56.55 |
| Debt | 13.65 | 14.95 |
| Net Profit Margin (%) | 10.5 | 11.0 |
| CCC (Days) | 95 | 72 |
| ICR (X) | 37.61 | 39.56 |

Financial Based on- unaudited financial statements up to 31st December 2022.

Methodology: SME Rating Methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Hoque Hardware Store (hereinafter referred to as 'HHS' or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above rating has been assigned based on the fundamentals of the enterprise which has positioning of selling point at prime area, long experience of the proprietor in the business, maintained insurance coverage and low leverage position in the capital structure.

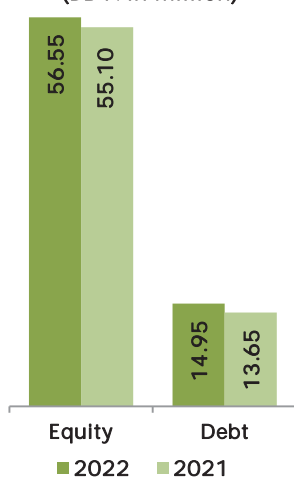
However, the above factors are constrained to some extent by no disclosure in the financial statements, manual accounting system, tight liquidity position with long cash conversion cycle, transportation facilities and price volatility of trading products.

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

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

Capital Structure (BDT. in million)



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