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

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 Haque Medical Store (hereinafter referred as “HMS” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

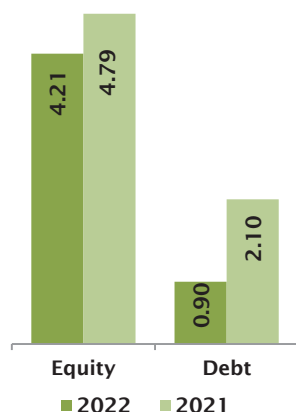
BDT. in million

Particulars	2022	2021
Revenue	16.20	17.88
EBIT	0.77	1.30
Net Profit	0.64	0.88
Total Assets	5.12	6.89
Total Equity	4.21	4.79
Total debt	0.90	2.10
Net Profit Margin (%)	3.9	4.9
CCC (Days)	87	100
ICR (X)	5.76	3.10

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

- Experienced and skilled management
- Good business network
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good interest coverage position
- Low levered capital structure

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
- Tight liquidity position with long cash conversion cycle
- No insurance coverage
- Manual accounting system

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 HMS 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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