

6th SURVEILLANCE CREDIT RATING REPORT
HOSSAIN ENTERPRISE

Ref. no.: CRAR-3062/2023



Report Contents:

| Particulars | Page |
|-----------------------------|------|
| Rating Rationale | 1 |
| Owners Profile | 2 |
| Business Management | 2 |
| Business Analysis | 3 |
| Financial Position Analysis | 3 |
| Banking Conduct | 4 |
| Risk Factor Analysis | 5 |
| Rating Observation | 5 |

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

Financial Based on- Unaudited financial statements for 31 December 2022.

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

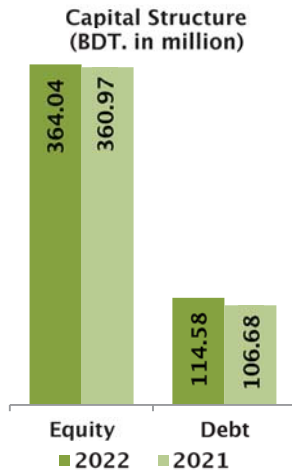
| Name of the Bank | Mode of Investment | Sanctioned Amount | Outstanding Amount | Outstanding Date |
|--------------------|--------------------|-------------------|--------------------|------------------|
| Dhaka Bank Limited | L/C | 40.00 | Nil | 15.11.2023 |
| | LTR | (30.00) | Nil | |
| | CC (Hypo) | 100.00 | 66.61 | |

Note: The enterprise enjoyed the LC limit of BDT. 40.00 million and LTR limit of BDT. 30.00 million interchangeable with its allied concern Red Rose International and Dishari International.

Key Snapshot:

BDT. in million

| Particulars | 2022 | 2021 |
|-----------------------|--------|--------|
| Revenue | 743.35 | 738.93 |
| EBIT | 90.09 | 86.83 |
| Net Profit | 84.80 | 80.57 |
| Total Assets | 478.63 | 467.83 |
| Total Equity | 364.04 | 360.97 |
| Debt | 114.58 | 106.68 |
| Net Profit Margin (%) | 11.4 | 10.9 |
| CCC (Days) | 179 | 180 |
| ICR (X) | 17.05 | 13.88 |



RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small Enterprise Three rating under the SME Rating to Hossain Enterprise (hereinafter referred to as 'HE' 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
- Satisfactory banking relationship
- Good business network
- Good interest coverage position
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- Rented business premises
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

Analysts:

Md. Monjur Alam Bappy
bappy@wasocreditrating.com

Nazrul Islam
nazrul@wasocreditrating.com

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

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