ARGUS CREDIT RATING SERVICES LTD.
(ACRSL)

Credit Rating Report

H R Enterprise

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Authorized Signature:

Name:

Designation:

Date:

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CREDIT RATING SERVICES LTD. Dhaka, Bangladesh

Ref No	: ACRSL39489/25
Company Name	: H R Enterprise (HRE)
Assigned Ticker	: HREntBangshal
Activity	: Chemicals, Trading
Incorporated On	: 01 Jan 2019
Head Office	: 64, Haji Osman Gani Road, Bangshal, Dhaka, Bangladesh

Rating Type	: SME / Entity
Rating Validity	: 05 Mar 2026
Nature Of Rating	: Second Surveillance
Outlook	: Stable
Analyst(s)	: ACRSL Analyst Team
Committee(s)	: ACRSL Rating Committees

Rating Summary

Credit Rating	Current	Previous
SME	AQSE-3	AQSE-3
Publishing Date	06 Mar 2025	08 Feb 2024

Rating Explanation

Rating	Explanation
AQSE-3	ARGUS Quantitative Small Enterprise-3 is a High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.

Rating Validity: This validity assumes no additional loan over that disclosed in FY24 [Ending December 31] audited/management certified balance sheet and that management has disclosed all material & adverse to financials since FY22.

Khan Md Abdul Wahab, FCMA
Chief Executive Officer
ARGUS Credit Rating Services Ltd.

1 CORPORATE PROFILE

1.1 Company Description

History: H R Enterprise (HRE) started its journey as a proprietorship business concern. Being a proprietorship business its ownership is concentrated within its proprietor Mr. Md. Quayum. HRE is engaged in trading different types of Chemicals Like Calcium Carbonate, PVC Resin.

Financial Base: At the end of FY24, HRE's total assets stood at BDT 25.79 MN, Equity at BDT 23.97 MN, Revenue at BDT 54.71 MN, Net Profit at BDT 9.17 MN.

Bank Liability: According to bankers report H R Enterprise availed financial facility under Shahjalal Islami Bank PLC. As on 04.03.2025, H R Enterprise's total limit is 10.00 MN, where as its outstanding is 0.00 MN. Present CIB of this business entity is standard.

Special note: At the time of publication of this credit rating report by ARGUS Credit Rating Service Limited (ACRSL), unaudited financial statements from FY22 to FY24 (ending December, 31) were available. Projections for FY25 and FY26 were arrived after taking in to consideration subsequent events up to the date of reporting, management feedback, and industry insights.

1.2 Ownership Structure

The Proprietor of H R Enterprise is Mr. Md. Quayum, he has vast experience in related business and is a successful business person.

Table 1 Nature of Ownership/Directors' Shareholding Percentage

Designation	Name	Shares
Proprietor	Mr. Md. Quayum	100.00%

1.3 Operations

Business Address: H R Enterprise,64, Haji Osman Gani Road, Bangshal, Dhaka, Bangladesh.

1.4 Products and Services

The entity is engaged in trading different types of Chemicals Like Calcium Carbonate, PVC Resin.

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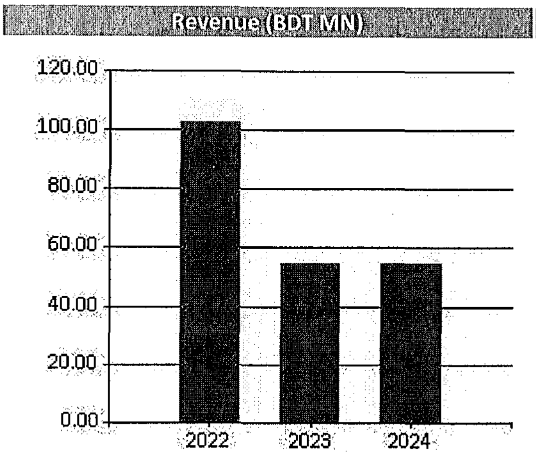
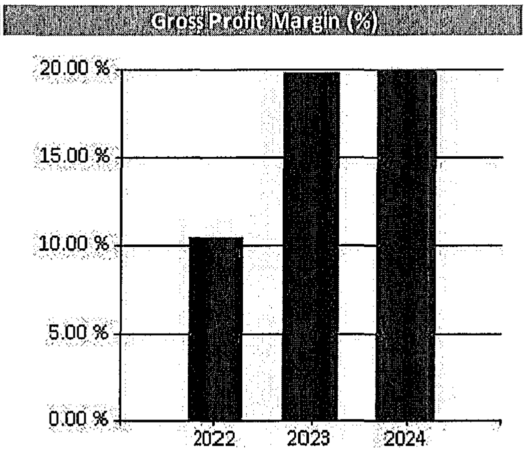
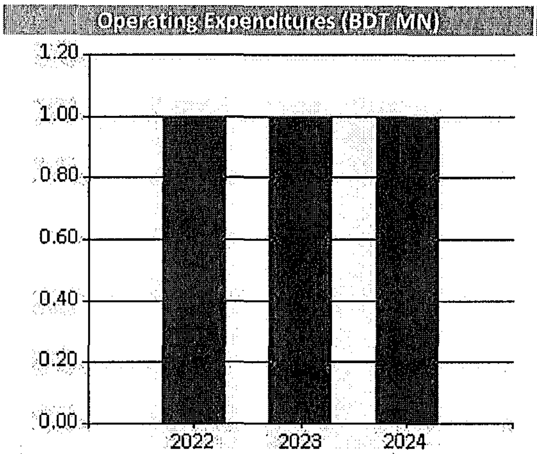
Dhaka, Bangladesh

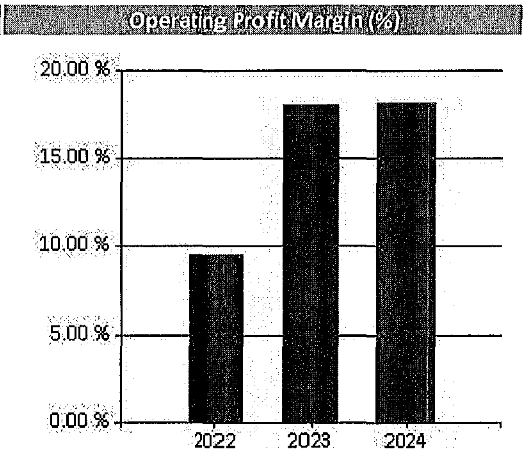
2 CHARTS

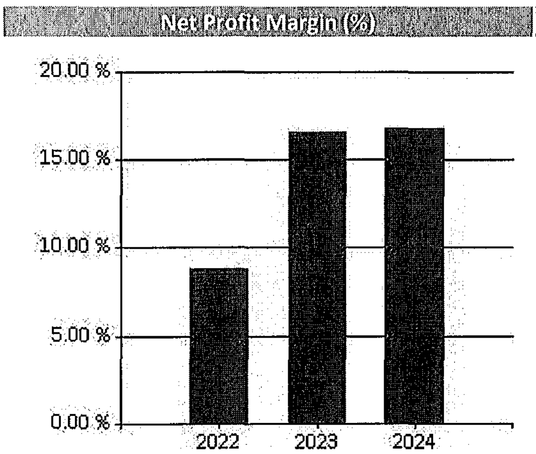
2.1 Income Statement Charts

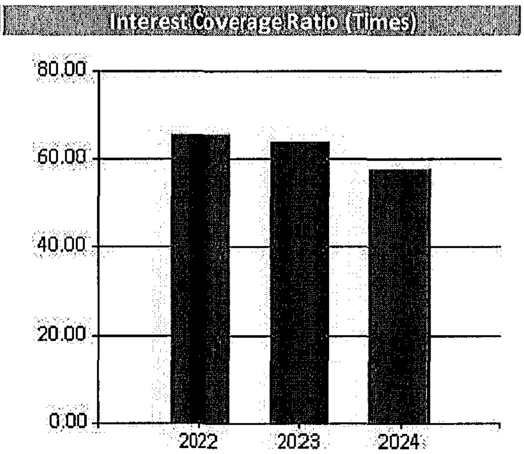




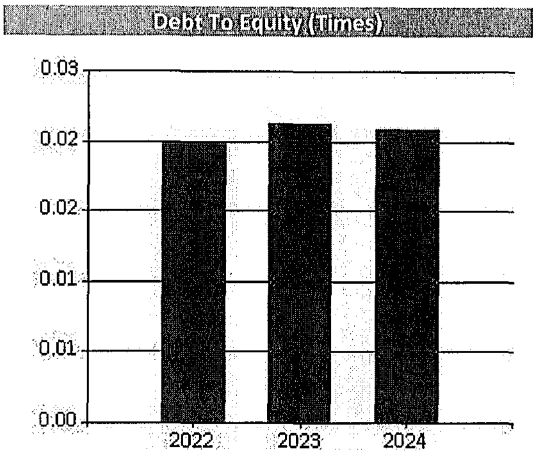


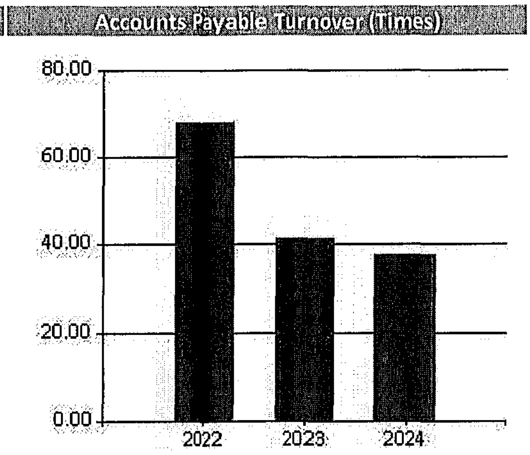


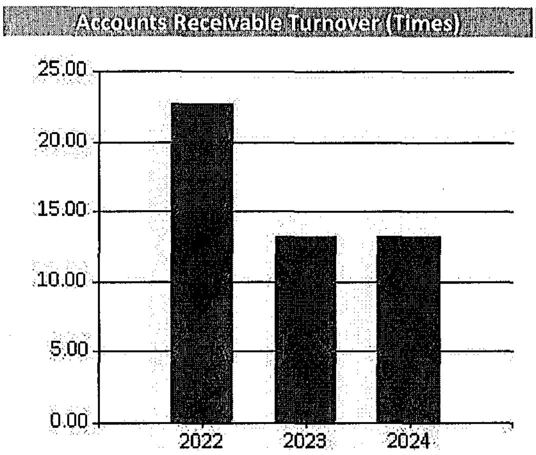


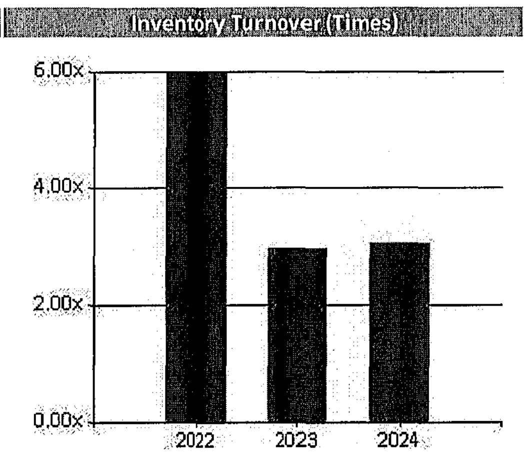


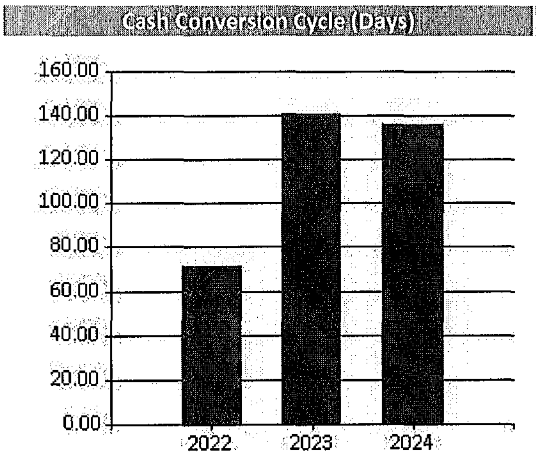
2.2 Balance Sheet Charts

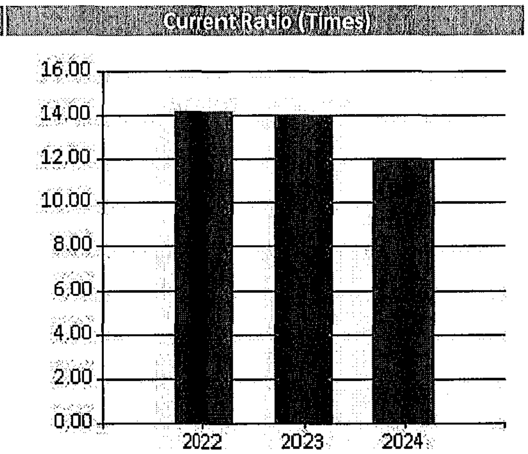












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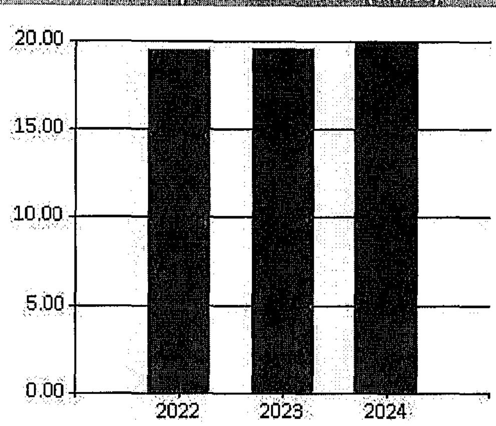
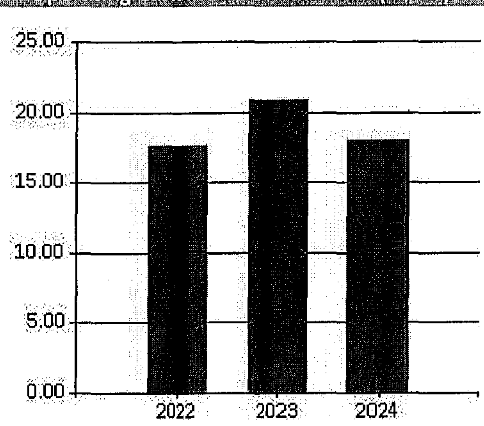
2.3 CASH FLOW ADEQUACY CHARTS

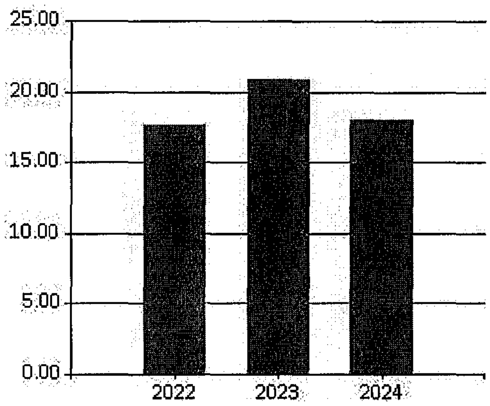
Fund From Operations To Debt (Times)



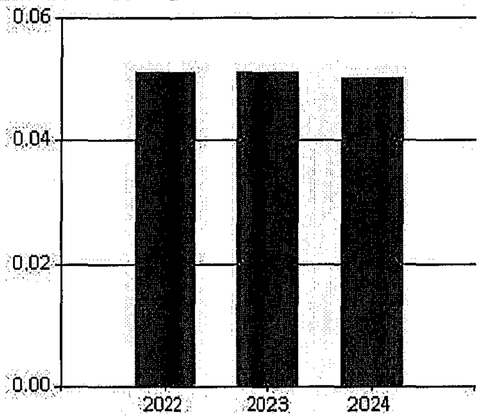
Operating Cash Flow To Total Debt (Times)



Free Cash Flow To Total Debt (Times)



Total Debt To EBITDA (Times)



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APPENDIX A: SUMMARY OF FINANCIAL METRICS

Balance Sheet Metrics (BDT in MN)	FY22	FY23	FY24
Cash & Equivalent	3.00	2.80	3.00
Trade Receivable	4.22	4.07	4.24
Inventories	15.55	14.22	14.55
Total Current Assets	22.77	21.09	21.79
Investments	0.00	0.00	0.00
Fixed Assets(At cost less Depreciation)	4.00	4.00	4.00
Total Non-Current Assets	4.00	4.00	4.00
Total Assets	26.77	25.09	25.79
Payable and Accrued Expenses	1.11	1.01	1.32
Other Current Liabilities	0.00	0.00	0.00
Short Term Debt	0.50	0.50	0.50
Total Current Liabilities	1.61	1.51	1.82
Long Term Debt	0.00	0.00	0.00
Other Non-Current Liabilities	0.00	0.00	0.00
Total Non-Current Liabilities	0.00	0.00	0.00
Total Liabilities	1.61	1.51	1.82
Issued, Subscribed & Paid Up Capital	25.16	23.58	23.97
Retained Earnings	0.00	0.00	0.00
Reserves & Surplus	0.00	0.00	0.00
Total Shareholders' Equity	25.16	23.58	23.97
Total Shareholders' Equity & Liabilities	26.77	25.09	25.79
Income Statement Metrics (BDT in MN)	**FY22**	**FY23**	**FY24**
Revenue/Sales/Turnover	102.52	54.53	54.71
Cost of Revenue/ Cost of Goods Sold	91.77	43.72	43.77
Gross Profit (Loss)	10.75	10.81	10.94
Operating Expenses	1.00	1.00	1.00
Operating Profit	9.75	9.81	9.94
Financial Expense/ Interest Expense	0.15	0.15	0.17
Net Profit before WPPF	9.60	9.65	9.77
Other Expense	0.60	0.60	0.60
Net Profit Before Tax	9.00	9.05	9.17
Provision for Tax	0.00	0.00	0.00
Net Profit After Tax	9.00	9.05	9.17
Cash Flow Metrics (BDT in MN)	**FY22**	**FY23**	**FY24**
Net Cash from Operating Activities	8.78	10.43	8.98
Net Cash from Investing Activities	0.00	0.00	0.00
Net Cash from Financing Activities	-8.28	-10.63	-8.78
Increase/(Decrease) in Cash and Cash Equivalents	0.50	-0.20	0.20
Cash and Cash Equivalents at the Opening	2.50	3.00	2.80
Cash and Cash Equivalents at the Closing	3.00	2.80	3.00

Source: HRE's Financial Statements from FY22-FY24

ARGUS CREDIT RATING SERVICES LTD. Dhaka, Bangladesh

APPENDIX B: SUMMARY OF ANALYTICS

Indicators	FY22	FY23	FY24
Revenue Growth	0.26%	-46.82%	0.34%
Gross Profit Margin	10.49%	19.82%	20.00%
Operating Profit Margin	9.51%	17.98%	18.17%
Net Profit Margin	8.78%	16.60%	16.76%
Interest Coverage Ratio	65.44x	63.67x	57.46x
ROA	33.78%	34.91%	36.03%
ROE	36.30%	37.14%	38.56%
Debt to Equity Ratio	0.02x	0.02x	0.02x
Accounts Payable Turnover	67.98x	41.25x	37.57x
Accounts Receivable Turnover	22.68x	13.15x	13.17x
Inventory Turnover Ratio	5.97x	2.94x	3.04x
Current Ratio	14.14x	13.97x	11.97x
Cash Conversion Cycle(Days)	71	141	136
Fund from Operations/Total Debt	19.50x	19.61x	19.88x
Operating Cash Flow/Total Debt	17.56x	20.86x	17.95x
Free Cash Flow/Total Debt	17.56x	20.86x	17.95x
Total Debt/EBITDA	0.05x	0.05x	0.05x

ARGUS CREDIT RATING SERVICES LTD
Dhaka, Bangladesh

APPENDIX C: SME RATING DETAILS

ACRSL SME RATING

Rating	Definition
AQSE-1 (Highest Grade)	ARGUS Quantitative Small Enterprise-1 is the Highest rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates the obligor, relative to other small enterprises, has exceptionally strong capacity to meet its financial obligations and it is highly unlikely that this capacity will be impacted adversely by foreseeable events.
AQSE-2 (High Grade)	ARGUS Quantitative Small Enterprise-2 is a Very High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has very strong capacity to meet its financial obligations and it is unlikely that this capacity will be impacted adversely by foreseeable events.
AQSE-3 (Good Grade)	ARGUS Quantitative Small Enterprise-3 is a High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.
AQSE-4 (Satisfactory Grade)	ARGUS Quantitative Small Enterprise-4 is a Good rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has adequate capacity to meet its financial obligations but this capacity remains more vulnerable to adverse economic conditions.
AQSE-5 (Non-Investment Grade)	ARGUS Quantitative Small Enterprise-5 is a Non-Investment rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has weak capacity and may rely on alternative sources to meet its financial obligations, and is substantially vulnerable to adverse economic conditions that may impair ability to meet such obligations in the future.
AQSE-6 (Highly vulnerable)	ARGUS Quantitative Small Enterprise-6 is a Highly Vulnerable rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates the obligor is near to default and the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve.
AQSE-7 (Imminent Default)	ARGUS Quantitative Small Enterprise-7 is an Imminent default rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates The obligor is either currently in default or expected to be in default with high probability. The obligor with this rating is unlikely to meet maturing financial obligations.
AQSE-8 (Default Grade)	ARGUS Quantitative Small Enterprise-8 is a Default rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor already failed to meet its financial obligations and may have entered bankruptcy proceedings.

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