

# SURVEILLANCE CREDIT RATING REPORT AFZAL CONSTRUCTION



Ref. no.: FR/2022/26182

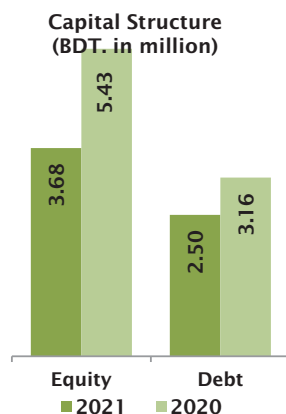
## Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	5
Banking Relationship	6
Risk Factor Analysis	6
Rating Observation	6

## Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	15.00	20.39
EBIT	3.22	4.22
Net Profit	2.37	3.05
Total Assets	6.18	8.59
Total Equity	3.68	5.43
Debt	2.50	3.16
Net Profit Margin (%)	15.8%	14.9%
CCC (Days)	98	85
ICR (X)	40.97	29.45



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	11 October 2022	10 October 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Mutual Trust Bank Limited	SOD(WO)	2.50	2.49	10.10.2022
	SOD(PO)	2.50	2.50	
	B.G	2.50	Nil	

Financial Based on unaudited financial statement for 31 December 2021.

Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise **Three**) rating under the SME Rating to **Afzal Construction** (hereinafter referred as "AC" 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
- Owned business premises
- Low levered capital structure
- Good interest coverage position
- Satisfactory banking relationship

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

- Low disclosure of financial statement
- No insurance coverage
- High competition in the market
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to **above average level** of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that AC will be able to maintain its good fundamentals in the foreseeable future.