

# CREDIT RATING REPORT FAHIM ACCESSORIES INDUSTRIES



Ref. no.: FR/2022/24672

## Report Contents:

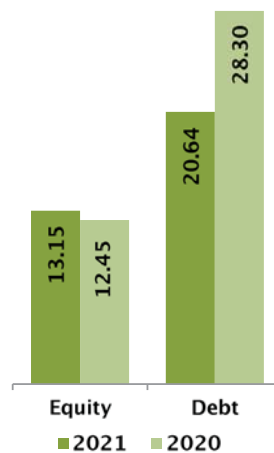
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Market Review	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

## Key Snapshot:

BDT. in million

Particulars	FY21	FY20
Revenue	68.90	118.48
EBIT	7.33	15.05
Net Profit	6.79	14.59
Total Assets	33.79	40.75
Total Equity	13.15	12.45
Total debt	20.64	28.30
Net Profit Margin (%)	9.9%	12.3%
CCC (Days)	56	46
ICR (X)	20.12	62.60

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRME 3	Stable	29 June 2022	28 June 2023

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

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

## RATING RATIONALE

WCRCL has assigned 'WCRME 3' (pronounced as WASO Credit Rating medium Enterprise Three) rating under the SME Rating to Fahim Accessories Industries (hereinafter referred as "FAI" 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 and storage facility
- Satisfactory banking relationship
- Good business network
- Good Profitability margin
- Good liquidity position with short cash conversion cycle
- Comfortable interest coverage position
- Maintained sound business relation with supplier & buyer

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

- Highly levered capital structure
- No insurance coverage for the inventory in stock
- Lack of disclosure in the financial statements
- 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 FAI will be able to maintain its good fundamentals in the foreseeable future.