

2<sup>nd</sup> SURVEILLANCE CREDIT RATING REPORT  
FAHAD ENTERPRISE

Ref. no.: FR/2023/30018



Report Contents:

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

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 March 2023	07 March 2024

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
National Bank Limited	CC (H)	5.50	5.74	11.03.2023

BDT. in million

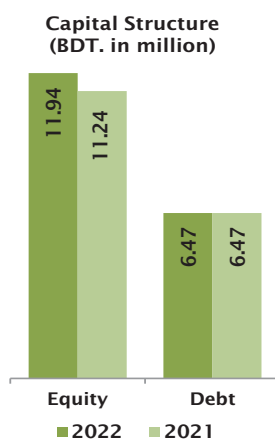
Financial Based on-Unaudited financial statements up to 31<sup>st</sup> December 2022.

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

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	29.50	9.50
EBIT	2.10	1.28
Net Profit	1.50	0.75
Total Assets	18.40	17.70
Total Equity	11.94	11.24
Debt	6.47	6.47
Net Profit Margin (%)	5.1	7.9
CCC (Days)	174	581
ICR (X)	3.68	2.58



RATING RATIONALE

WCRCL has reaffirmed **'WCRSE 3'** (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Fahad Enterprise** (hereinafter referred as **"FE"** 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
- Good business network
- Low levered capital structure
- Good personal net worth of the proprietor
- Comfortable security coverage against loan
- Good profitability margin

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

- Low disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- Inventory holding risk
- 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 **FE** will be able to maintain its good fundamentals in the foreseeable future.

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