

2nd SURVEILLANCE CREDIT RATING REPORT ABIR ENTERPRISE



Ref. no.: FR/2023/31997

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
	WCRSME3	Stable	04 July 2023	03 July 2024

WCRSME3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
National Bank Limited	CC (H)	14.00	14.01	11.06.2023
	CMSME	3.50	3.58	

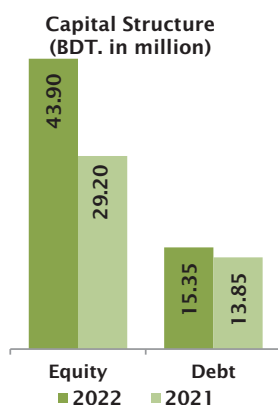
Financial Based on-Unaudited financial statements up to 31st December 2022.

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

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	112.00	53.50
EBIT	8.17	3.61
Net Profit	8.16	2.85
Total Assets	59.25	43.05
Total Equity	43.90	29.20
Debt	15.35	13.85
Net Profit Margin (%)	7.3%	5.3%
CCC (Days)	136	258



RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Abir Enterprise (hereinafter referred as "AE" 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 mortgage security coverage against loan
- Good business network
- Low levered capital structure
- Maintained sound business relation with supplier & buyer
- Good profitability margin

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

- Inventory holding risk
- Tight liquidity position
- Lack of disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

Analysts:

Juthi Khanum
juthi@wasocreditrating.com

Ummay Fatema
fatema@wasocreditrating.com

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 AE 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.