

3rd SURVEILLANCE CREDIT RATING REPORT

AL FAHAD ENTERPRISE

Ref. No.: CRAR- 6216/2023



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	17 October 2023	18 October 2024

Tk. In million

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount Dated on 09.10.2023
Mercantile Bank PLC	CC(H)	4.00	-

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

Key Snapshot:

Tk. in million

Particulars	2022	2021
Revenue	85.10	74.00
EBIT	9.74	8.47
Net Profit	8.41	7.31
Total Assets	40.11	34.88
Total Equity	21.24	18.47
Debt	18.87	16.41
Net Profit Margin (%)	9.9	9.9
CCC (Days)	58	62
ICR (X)	60.50	60.50

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Al Fahad Enterprise** (hereinafter referred to as 'AFE' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

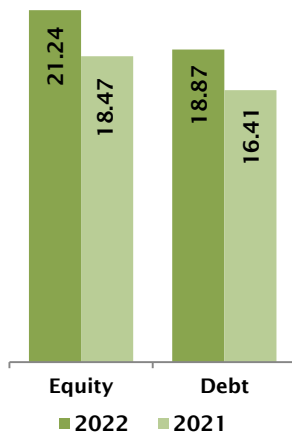
- Experienced and skilled management
- Good business network
- Satisfactory banking relationship
- Good interest coverage position
- Low levered capital structure
- Good mortgage security coverage against loan

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
- Manual accounting system

The SME rating implies that the enterprise is adjudged to above average credit quality.

Capital Structure
(BDT. in million)



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WCRCL also viewed the enterprise with "Stable" outlook and believes that AFE 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.