

2nd SURVEILLANCE CREDIT RATING REPORT
AHMED ENGINEERING
CRAR-13057/2023



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB-	ST 4	Stable	21 November 2023	18 October 2024

Name of Bank	Mode of Investment	Disburse Amount	Outstanding Amount	Bank Loan Rating
Jamuna Bank Limited (08.11.2023)	SOD (Work Order)	232.70	318.36	blr ST 4

Financial Based on—Financial statements up to 30 June 2023.

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

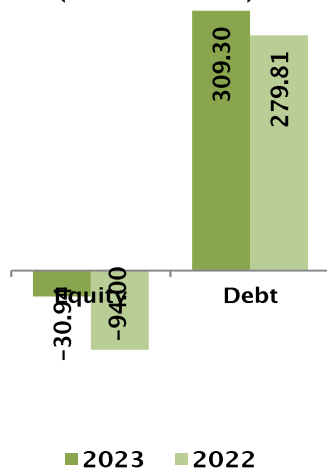
Key Snapshot:

Particulars	BDT. in million	
	FY23	FY22
Revenue	393.05	6.94
EBIT	158.22	0.51
Net Profit	128.79	-28.71
Assets	278.36	185.82
Equity	-30.94	-94.00
Debt	309.30	279.81
Net Profit Margin (%)	32.8%	-413.8%
Current Ratio (X)	0.90	0.66
IRC (X)	5.38	0.02

RATING RATIONALE

WCRCL has reaffirmed 'BBB-' (pronounced as Triple B Minus) rating for the Long Term and 'ST 4' (pronounced as Short Term Four) rating for Short Term to **Ahmed Engineering** (hereinafter referred to as 'AE' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also assigned 'blr ST 4' (pronounced as Bank Loan Rating Short Term Four) rating to the aggregate short term loan limit.

Capital Structure
(BDT. in million)



The above ratings have been assigned based on the fundamentals of the enterprise which include; major clients are government organizations with big contracts, strong group support- "Western Group", skilled and experienced management and workforce, good market reputation and strong brand image, sales revenue was in increasing position in FY23. However, the above factors are constrained by equity was negative in FY23, highly levered in capital structure, high dependency on external sources for working capital requirement, and moderated disclosure in the financial statements.

The long term rating implies that the entity has below average credit quality. The short term rating implies that the entity has below average ability to meet short term financial commitments.

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.

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