

8<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT  
FALCON AUTO LIMITED

Ref. no.: CRAR-959/2023



Report Contents:		SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
Particulars	Page		WCRSME3	Stable	23 November 2023	22 November 2024

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

### RATING RATIONALE

WCRCL has reaffirmed **WCRSME3** (Pronounced WASO Credit Rating Small And Medium Enterprise Three) rating to **Falcon Auto Limited** (hereinafter referred to as 'FAL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the Company.

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
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship

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

- Low disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

The SME rating implies that the enterprise has above average credit quality.

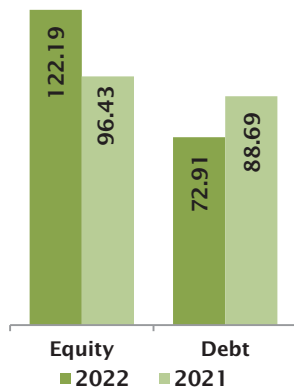
WCRCL also viewed the Company with **Stable** outlook and believes that **FAL** will be able to maintain its good fundamentals in the foreseeable future.

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.

### Key Snapshots:

BDT. in million			
Particulars	2022	2021	
Revenue	417.01	497.10	
EBIT	40.41	48.59	
Net Profit	25.76	30.27	
Total Assets	195.10	185.12	
Total Equity	122.19	96.43	
Total debt	72.91	88.69	
Net Profit Margin (%)	6.2	6.1	
CCC (Days)	180	148	
ICR (X)	8.29	9.09	

Capital Structure  
(BDT. in million)



### Analysts:

**Nowrin Yesmin**  
[nowrin@wasocreditrating.com](mailto:nowrin@wasocreditrating.com)

**Mst. Irin Akter**  
[irin@wasocreditrating.com](mailto:irin@wasocreditrating.com)