

INITIAL CREDIT RATING REPORT
FATEMA ELECTRIC
 Ref. no.: CRAR-18320/2023



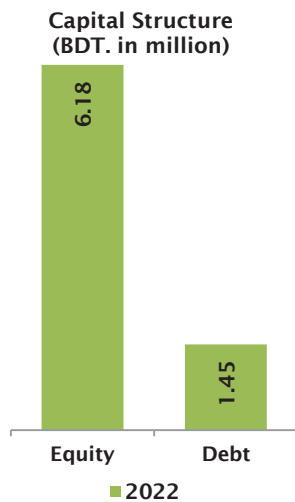
Report Contents:

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

Key Snapshot:

BDT. in million

Particulars	2022
Revenue	34.55
EBIT	2.46
Net Profit	2.32
Total Assets	7.63
Total Equity	6.18
Total debt	1.45
Net Profit Margin (%)	6.7%
CCC (Days)	35
ICR (X)	18.24



Analysts:

Sazedul Islam
 sazedul@wasocreditrating.com

Rifat Ahmed
 rifat@wasocreditrating.com

SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	07 November 2023	06 November 2024

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Fatema Electric** (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
- Regular loan repayment history
- Long experience track of the proprietor
- Liquidity position was good evident by short cash conversion cycle
- Good interest coverage position
- Low levered capital structure

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

- Rented business premises and storage facility
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system
- No Transport Facility
- No Insurance Coverage

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

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