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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	12 December 2023	22 December 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 as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Fatik Vandar (hereinafter referred as “FV” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up to the date of the rating issuance.

Key Snapshot:

BDT. In million

Particulars	2022	2021
Revenue	8.11	7.05
EBIT	1.07	0.91
Net Profit	0.94	0.79
Total Assets	5.24	4.98
Total Equity	3.72	3.58
Total debt	1.53	1.40
Net Profit Margin (%)	11.6	11.2
CCC (Days)	171	1025
ICR (X)	8.11	7.58

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

- Long business experiences of the proprietor in the business
- Good business network
- Low levered capital structure
- Good interest coverage position
- Satisfactory banking relationship

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

- No disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- Manual accounting system

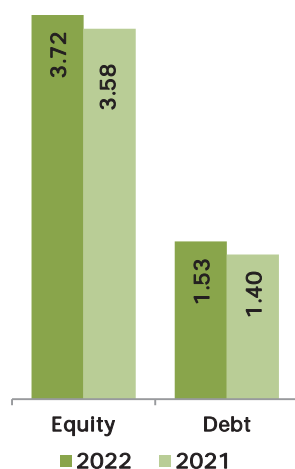
The rating may further downgrade if the enterprise does not improve its banking conduct in further.

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

WCRCL also viewed the enterprise with “Stable” outlook and believes that FV 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.

Capital Structure (BDT. in million)



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