

# INITIAL CREDIT RATING REPORT AL-ISLAM AGRO INDUSTRIES LIMITED



Ref. no.: FR/2023/31383

## Report Contents:

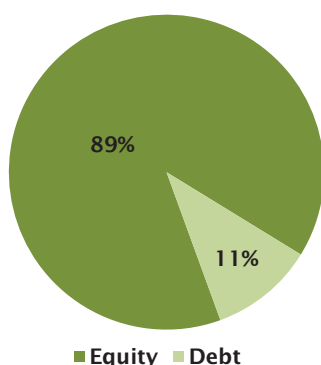
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## Key Snapshot:

BDT. in million

Particulars	2022
Revenue	185.00
EBIT	15.18
Net Profit	12.38
Total Assets	117.00
Total Equity	104.50
Total debt	12.50
Net Profit Margin (%)	6.7
CCC (Days)	96
ICR (X)	5.62

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	31 May 2023	30 May 2024

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Pubali Bank Limited	Term Loan	5.00	9.85	30.05.2023
	Term Loan	15.00	13.92	
	CC(H)	10.00	9.85	

Financial Based on-Management prepared financial statement for 31<sup>st</sup> December 2022.

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

## RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Company Three) rating under the SME Rating to **Al-Islam Agro Industries Limited** (hereinafter referred as "AAIL" or "The Company") 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 company which includes:

- Experienced and skilled management
- Maintained sound relation with supplier, buyer and lender
- Good business network
- Good interest coverage position
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- No insurance coverage
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprise.

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