# SURVEILLANCE CREDIT RATING REPORT ISRAT AGRO COMPLEX

Ref. no.: FR/2023/031312



#### **Report Contents:**

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

б	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
SME Rating	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

				Tk. in million
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Mutual Trust Bank	Demand Loan	1.00		30.05.2023
Limited	CC (H)	5.00	4.90	

### **Key Snapshot:**

Particulars	2022
Revenue	75.21
EBIT	7.25
Net Profit	7.25
Total Assets	25.60
Total Equity	17.13
Debt	8.47
Net Profit Margin (%)	9.6%
CCC (Days)	56

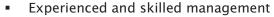
Financial Based on-unaudited financial statements up to 2022.

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

#### **RATING RATIONALE**

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Israt Agro Complex (hereinafter referred as "IAC" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information upto the date of the rating issuance.

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



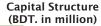
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good interest coverage position
- Low levered capital structure

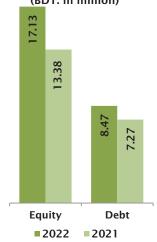
However, the above rating has been moderated to some extent due to some factors like:

- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system
- Rented business premises and storage facility

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

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





## Analysts:

Ummay Fatema fatema@wasocreditrating.com

Md. Al Amin Jewel jewel@wasocreditrating.com