

INITIAL CREDIT RATING REPORT SHAH ALAM SOWDAGOR

Ref. no.: FR/2023/31183



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	07 May 2023	06 May 2024

Bank Name	Mode of Investments	Sanctioned Amount	Outstanding Amount as on 05.05.2023	Bank Loan Rating
Islami Bank Bangladesh Limited	CIL	400.00	32.86	blr BBB 2

Tk. in million

Note: shah alam sowdagor and its sister concern enjoyed the composite investment limit of TK. 400.00 million

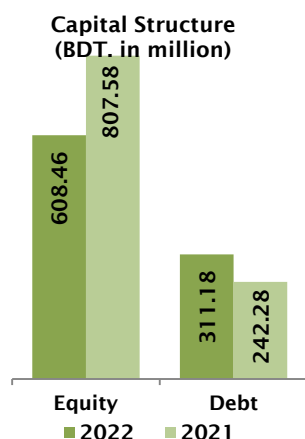
Financial Based on- Audited financial statements up to 2022.

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

Key Snapshot:

Tk. in million

Particulars	2022	2021
Revenue	2,244.70	2,040.63
EBIT	102.65	78.95
Net Profit	71.15	59.23
Total Assets	919.64	1,049.85
Total Equity	608.46	807.58
Debt	311.18	242.28
Net Profit Margin (%)	3.2%	2.9%
CCC (Days)	115	138
ICR(X)	4.06	5.42



RATING RATIONALE

WCRCL has reaffirmed 'BBB2' (pronounced as Triple B Two) rating to the entity for long term and 'ST-3' (pronounced as Short Term Three) for short term to Shah Alam Sowdagor (hereinafter referred as "SAS" or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment. WCRCL has also reaffirmed 'blr ST-3' (pronounced as Bank Loan Rating Short Term Three) rating to the aggregated short term limit. The above ratings have been assigned based on the fundamentals of the entity, which includes experienced and skilled management, increasing trend in business growth, equipped with sufficient power backup, strong group support, good supportive facilities to the workers, insurance coverage, positive fund flow from operation. However, the above factors are constrained to poor disclosure of financial statement to review and analyze the true financial attributes, not efficiently control over Cost of goods sold.

The long-term rating is subject to medium credit risk and considered medium grade and as such may possess certain volatile characteristics. The short term rating implies that the company has acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances, WCRCL believes that the issuer may require covenant relief in order to maintain orderly access to funding lines.

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

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