

1st SURVEILLANCE CREDIT RATING REPORT

ALAL POULTRY & FISH FEED LIMITED

Ref. no.: FR/2023/031707



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A3	ST-3	Stable	12 June 2023	28 June 2024

Bank	Mode	Limit Amount	Outstanding Amount	Bank Loan Rating
Islami Bank Bangladesh Ltd. (25.05.2023)	Composite Working Capital	970.00	857.00	blr ST-3

Tk. In Million

Financial: Based on Audited financial statements up to 30 June 2022.

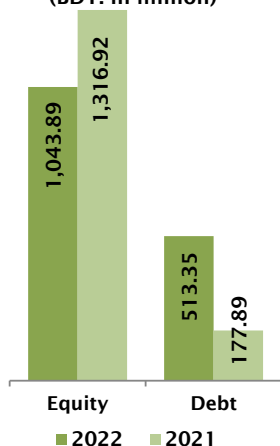
Methodology: Corporate rating methodology published on the WCRCL website at www.wasocreditrating.com.

Key Snapshot:

Tk. In Million

Particulars	2022	2021
Revenue	3,452	3,368
EBIT	232.03	224.5
Net Profit	184.64	185.5
Total Assets	1,557	1,494
Total Equity	1,043	1,316
Debt	513.34	177.8
Net Profit Margin (%)	5.35	5.5
CCC (Days)	147	135
Debt/Equity (X)	0.49	0.14
ICR (X)	15.67	34.32

Capital Structure (BDT. in million)



RATING RATIONALE

WCRCL has reaffirmed 'A3' (pronounced as Single A Three) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to **Alal Poultry & Fish Feed Limited** (hereinafter referred to as 'APFFL' or 'The company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has assigned 'blr ST-3' (pronounced as Bank Loan Rating Short Term Three) rating to short term loan limit.

The above ratings have been assigned based on the fundamentals of the company which include experienced and proactive management, strong and Diversified buyer base, financial flexibility arising from Alal Group, maintained sound business relation with supplier & buyer, increased trend of revenue, established market position and stable customer profile, low leverage position in the capital structure, good interest coverage position, presence of fire insurance policy, availability of the supply of raw materials.

However, the above factors are constrained to operational bottleneck due to average disclosure in the financial statement, market saturation or high competition, tight liquidity position with long cash conversion cycle, vulnerability in raw- materials price in the local market may impact profitability.

The long term rating implies that the company rated upper medium grade and subject to low credit risk. The short term rating implies that, the company has an 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 also viewed the company with "Stable" outlook and believes that APFFL will be able to maintain its good fundamentals in the foreseeable future.

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