1st SURVEILLANCE CREDIT RATING REPORT AGARWALA BOSTRALOY



Ref. no.: FR/2023/031721

Demand Loan

Total

Report Contents:

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

circular number BRF	PD(BIC)661/14B(P)/.
Bank Name	Mode of Investment
David Asia Liveitas	OD (Shomadhan)

Bank Asia Limited

WCRSE 3

SME

11 June 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

Sanctioned

Amount

4.00

1.00

5.00

Date of Declaration

12 June 2023

Outstan

Amou

3.99

1.00

4.99

	BD1. In Million	
ding	Date of	
nt	Outstanding	
)	01.06.2023	
)	01.00.2023	

Financial Based on-Management prepared financial statements up to 31st December 2022.

Stable

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

Key Snapshot:

	BDT. In Million	
Particulars	2022	2021
Revenue	131.05	102.15
EBIT	14.82	11.80
Net Profit	14.17	11.27
Total Assets	52.94	42.25
Total Equity	45.47	33.40
Debt	7.47	8.85
Net Profit Margin (%)	10.8	11.0
CCC (Days)	110	117
ICR (X)	24.70	23.59

T In Alillian

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Agarwala Bostraloy (hereinafter referred as "AB" 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:

- Experienced and skilled management
- Satisfactory banking relationship
- Good business network
- Low levered capital structure
- Good interest coverage ratio
- Comfortable security arrangement

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

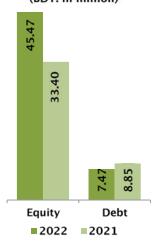
- Tight liquidity position considering long cash conversion cycle
- Lack of disclosure in the financial statements
- Low management information system (MIS) and Manua accounting system

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 AB will be able to maintain its good fundamentals in the foreseeable future.

Capital Structure (BDT. in million)



Analysts:

Mst. Irin Akter

irin@wasocreditrating.com

Monira Islam

monira@was ocredit rating.com