

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT AGARWALA BOSTRALLOY



Ref. no.: FR/2023/031721

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	BDT. In Million
				Date of Outstanding
Bank Asia Limited	OD (Shomadhan)	4.00	3.99	01.06.2023
	Demand Loan	1.00	1.00	
	<b>Total</b>	<b>5.00</b>	<b>4.99</b>	

## Key Snapshot:

Particulars	BDT. In Million	
	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

Financial Based on-Management prepared financial statements up to 31<sup>st</sup> December 2022.

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

## 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 up-to 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 Manual accounting system

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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.

