

1st SURVEILLANCE CREDIT RATING REPORT A. B WOVEN BAG INDUSTRIES LIMITED



Ref. no.: FR/2023/31945

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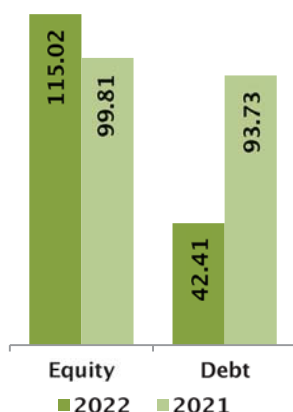
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Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	321.13	250.54
EBIT	26.03	28.55
Net Profit	15.21	14.54
Total Assets	157.44	193.54
Total Equity	115.02	99.81
Total debt	42.41	93.73
Net Profit Margin (%)	4.7	5.8
CCC (Days)	135	241
ICR (X)	9.56	3.79

Capital Structure
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRME 3	Stable	31 May 2023	28 June 2024

WCRME 3 rating is equivalent to Bangladesh Bank SME rating scale of ME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Financial Based on- Audited financial statements up to 30 June 2021 & 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRME 3' (pronounced as WASO Credit Rating Medium Enterprise Three) rating under the ME Rating to A. B Woven Bag Industries Limited (hereinafter referred as "ABWBIL" or "The Company") 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
- Good Profitability margin
- Comfortable interest coverage position
- Low levered capital structure
- Maintained sound business relation with supplier & buyer

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

- No insurance coverage for the inventory in stock
- Tight liquidity position considering long cash conversion cycle
- Vulnerability in raw- materials price in the local and international market may impact profitability
- Average disclosure in the financial statements
- Low management information system (MIS) and Manual accounting system

The ME rating implies that the company is adjudged to above average level of credit worthiness in relation to other medium enterprises.

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