

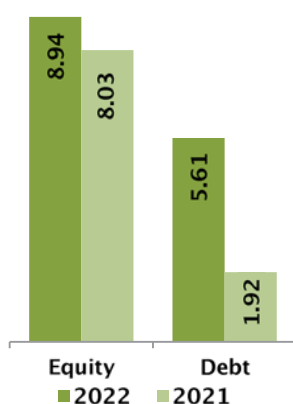
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## Key Snapshot:

Particulars	2022	2021
Revenue	15.94	14.81
EBIT	2.49	1.89
Net Profit	1.99	1.53
Total Assets	14.55	9.96
Total Equity	8.94	8.03
Total debt	5.61	1.92
Net Profit Margin (%)	12.5%	10.3%
CCC (Days)	148.75	85.08
ICR (X)	4.99	5.17

**Capital Structure  
(BDT. in million)**



## Analysts:

**Md. Akter Hossain**  
akter@wasocreditrating.com

**Md. Rafiul Bary**  
rafi@wasocreditrating.com

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	22 August 2023	21 August 2024

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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank PLC	CC(H)	5.00	2.09	21.08.2023

BDT. in million

## RATING RATIONALE

WCRCCL has Upgraded 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Alfa Chemical Industries (hereinafter referred as "ACI" 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:

- Long business experiences of the proprietor in the business
- Good business network
- Good profitability margin
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- Low disclosure in the financial statements
- Small scale in the business
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

The SME rating implies that the enterprise has above average credit quality.

WCRCCL also viewed the enterprise with "Stable" outlook and believes that ACI will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.