INITIAL CREDIT RATING REPORT
DALIM ALUMINIUM

Ref. no.: FR/2023/33700

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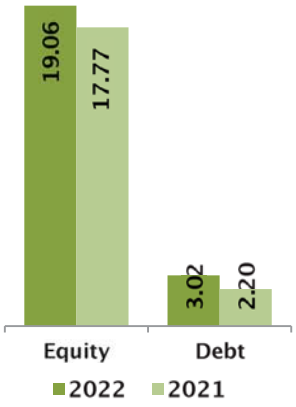
Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	35.00	28.00
EBIT	4.32	3.84
Net Profit	4.11	3.68
Total Assets	22.08	19.97
Total Equity	19.06	17.77
Total debt	3.02	2.20
Net Profit Margin (%)	11.7%	13.1%
CCC (Days)	227	274
ICR (X)	20.57	24.00

Capital Structure (BDT. in million)



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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	08 August 2023	07 August 2024

***Financial Based on**–unaudited financial statements up to 31 December 2022.*

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to Dalim Aluminium (hereinafter referred as "DA" 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 experience of the proprietor in the business
- Good business network
- Good profitability margin
- Low levered capital structure
- Comfortable interest coverage position

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

- Poor disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

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

WCRCL also viewed the enterprise with "Stable" outlook and believes that DA 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.