

# INITIAL CREDIT RATING REPORT IBRAHIM SALT REFINERIES



Ref. no.: FR/2023/32197

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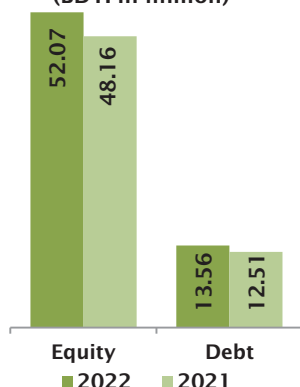
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## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	350.13	318.30
EBIT	24.91	23.56
Net Profit	23.44	22.71
Total Assets	65.63	60.66
Total Equity	52.07	48.16
Debt	13.56	12.51
Net Profit Margin (%)	6.7	7.1
CCC (Days)	43	45
ICR (X)	33.38	152.10

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSME 2	Stable	04 July 2023	03 July 2024

WCRSME 2 rating is equivalent to Bangladesh Bank SME rating scale of SME 2 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

## RATING RATIONALE

WCRCL has assigned 'WCRSME 2' (pronounced as WASO Credit Rating Small and Medium Enterprise Two) rating under the SME Rating to Ibrahim Salt Refineries (hereinafter referred as "ISR" 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 mortgage security coverage against loan
- Good business network
- Regular loan repayment history
- Long experience track of the proprietor
- Owned business premises and storage facility
- Good interest coverage position
- Low levered capital structure

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

- Good liquidity position with short cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to very strong credit quality in relation to other small and medium enterprises.

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