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

Tk. in million

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 17.08.2023
Al-Arafah Islami Bank Limited	Composite Facilities	17.00	3.76

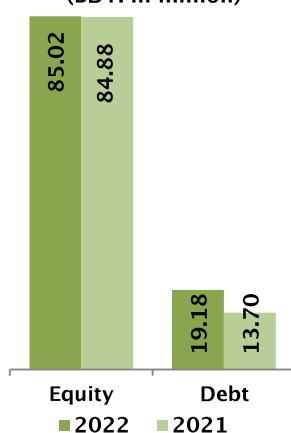
**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

**RATING RATIONALE****Key Snapshot:**

Tk. in million

Particulars	2022	2021
Revenue	127.50	107.00
EBIT	8.10	7.20
Net Profit	7.68	6.90
Total Assets	104.20	98.58
Total Equity	85.02	84.88
Debt	19.18	13.70
Net Profit Margin (%)	6.0	6.4
CCC (Days)	88.58	116.38

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



WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Islam Brothers** (hereinafter referred to 'IB' 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 have been upgraded based on the fundamentals of the enterprise which includes positioning of selling point at prime area, long experience of the proprietor in the business, moderate profitability condition, moderate liquidity position, low leverage position. However, the above factors are constrained to some extent by average of disclosure in the financial statements, manual accounting system, no insurance coverage, moderate market price volatility of rod in local market.

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

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

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