

# INITIAL CREDIT RATING REPORT ALPHA ACCESSORIES & AGRO EXPORT LIMITED

Ref. no.: FR/2023/33406



## Report Contents:

Particulars	Page
Rating Rationale	1
Corporate Background	2
Group Profile	2
Management Evaluation	2
Market Review	3
Business Analysis	6
Financial Strength Analysis	7
Banking Relationship	8
Risk Factor Analysis	8
Rating Observations	9

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB-	ST 3	Stable	08 August 2023	07 August 2024

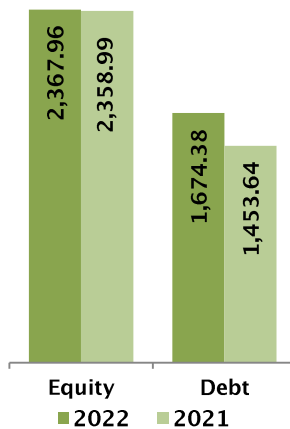
*Methodology:* Corporate rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Bank Loan Rating
South Bangla Agriculture and Commerce Bank Limited (07.08.2023)	Term Loan	1355.18	1395.99	blr BBB-
	LC (S/F/L-UPAS/EDF)	1000.00	-	
	BG	(1000.00)	(10.63)	blr ST 3
	CC (H) Gen	250.00	3033.37	
	CC (H)	90.00	55.23	

## Key Snapshot:

Particulars	FY22	FY21
Revenue	317.40	2,581.5
EBIT	168.25	271.61
Net Profit	8.97	139.60
Total Assets	4,042.3	3,812.6
Total Equity	2,367.9	2,358.9
Total debt	1,674.3	1,453.6
Net Profit Margin (%)	2.8	5.4
CCC (Days)	2,214	135
ICR (X)	1.07	2.53

Capital Structure  
(BDT. in million)



## Analysts:

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*Financial Based on—Unaudited statements up to 30<sup>th</sup> June 2022.*

## RATING RATIONALE

WCRCL has assigned 'BBB-' (pronounced as Triple B Minus) rating for the Long Term and 'ST 3' (pronounced as Short Term Three) rating for Short Term to **Alpha Accessories & Agro Export Limited** (hereinafter referred to as 'AAEEL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has assigned 'blr BBB-' (pronounced as Bank Loan Rating Triple B Minus) rating to the long term loan outstanding and 'blr ST 3' (pronounced as Bank Loan Rating Short Term Three) rating to short term loan limit.

The above ratings have been assigned based on the fundamentals of the company which include experienced sponsors and management, owned business premises and storage facility, provide warranty of products, using own office and warehouse, industrial area may endow with the location advantage, good market demand of the product and maintained sound business relation with supplier & buyer.

However, the above factors are constrained by very high compaction in terms of quality and pricing, followed manual accounting procedures, tight liquidity position with long cash conversion cycle, market saturation or high competition and price volatility of the products.

The long term rating implies that the entity has below average credit quality. The short term rating implies that the company has average ability to meet short term financial commitments.

WCRCL also viewed the company with "Stable" outlook and believes that AAEEL 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.