

1st SURVEILLANCE CREDIT RATING REPORT KAI BANGLADESH ALUMINIUM LIMITED

Ref. no.: FR/2023/033772



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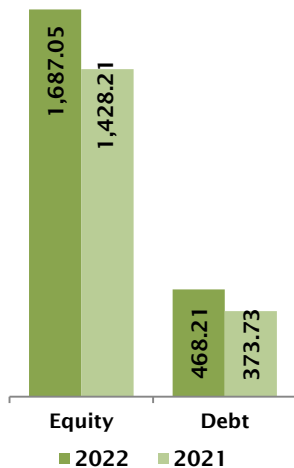
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Key Snapshot:

Tk. in million

Particulars	FY22	FY21
Revenue	3,448.1	2,833.57
EBIT	417.73	332.01
Net Profit	294.84	225.46
Total Assets	2,155.2	1,801.94
Total Equity	1,687.0	1,428.21
Debt	468.21	373.73
Net Profit Margin (%)	8.6%	8.0%
CCC (Days)	39	45
ICR (X)	37.79	33.43

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



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A	ST 2	Stable	19 September 2023	18 September 2024

Tk. in Million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 17.09.2023	Bank Loan Rating
Bank Asia Limited	LC	1200.00	891.62	blr ST 2
	LTR (Sublimit of LC)	(60.00)	--	
	Demand Loan (Sublimit of LTR)	(60.00)	--	
	Demand Loan (Separate)	10.00	--	
	Overdraft	30.00	-	
	Bank Guarantee	20.00	17.35	
Dhaka Bank Ltd.	L/C	550.00	358.29	
	LTR	(80.00)	--	
	BG	(15.00)	3.61	
Shahjalal Islami Bank Limited	OD	20.00	--	
	Murabaha LC (Revolving)	600.00	2.14	
	Murabaha Post Import TR (Rev.)	100.00	--	
	Bai Muajjal Commercial TR (Rev.)	50.00	--	
	Bank Guarantee (Rev.)	60.00	--	

**** blr-Bank Loan Rating**

Financial Based on-Audited financial statement up to 30 June 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'A' (pronounced as Single A) rating for the Long Term and 'ST 2' (pronounced as Short Term Two) rating for Short Term to **Kai Bangladesh Aluminium Limited** (hereinafter referred to as 'KBAL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also reaffirmed "blr ST 2" (pronounced as Bank Loan Rating Short Term Two) rating to the aggregated short term limit.

The above ratings have been assigned based on the fundamentals of the company which include experienced and skilled management, financial flexibility arising from Kai-Altech Group, upward trend of turnover, low levered in the capital structure, good interest coverage position, presence of fire insurance policy, availability of the supply of raw materials, comfortable security arrangement, satisfactory banking relationship, owned factory premises and good infrastructural arrangement.

However, the above factors are constrained to average disclosure in the financial statement and vulnerability in raw- materials price in the local and international market may impact profitability, stressed liquidity position considering poor current assets, high inventory affecting working capital.

The long term rating implies that the entity has Above average credit

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quality. The short term rating implies that, the company has Above average ability to meet short term financial commitments.

WCRCCL also viewed the company with Stable outlook and believes that NCL 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 of the economy.