

1st SURVEILLANCE CREDIT RATING REPORT ACHAL BASTRA BITAN



Ref. no.: CRAR-12335/2023

Report Contents:

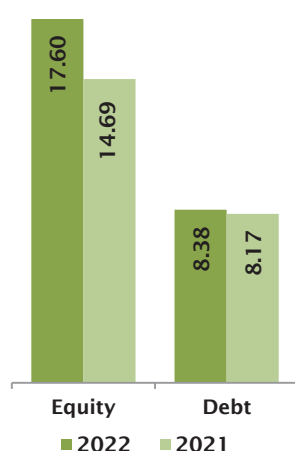
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Market Review	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	22.00	21.05
EBIT	4.86	4.16
Net Profit	3.93	3.15
Total Assets	25.98	22.86
Total Equity	17.60	14.69
Debt	8.38	8.17
Net Profit Margin (%)	17.9	14.9
CCC (Days)	319	302
ICR (X)	5.40	4.20

Capital Structure
(BDT. in million)



Analysts:

Omor Shahjalal Shish
omor@wasocreditrating.com

Shudhan Mallick
shudhan@wasocreditrating.com

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	12 December 2023	11 December 2024

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Achal Bastra Bitan (hereinafter referred as "ABB" 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
- Good business network
- Good Profitability margin
- Comfortable interest coverage position
- Low levered capital structure
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

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

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

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