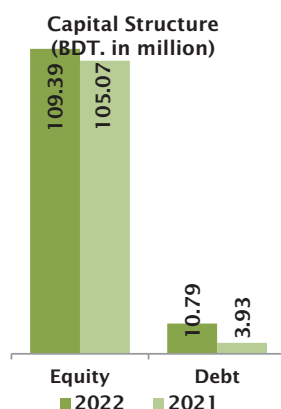


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## Key Snapshot:

BDT. in million		
Particulars	FY22	FY 21
Revenue	98.48	85.63
EBIT	9.32	7.82
Net Profit	7.57	6.07
Total Assets	120.18	114.94
Total Equity	109.39	105.07
Debt	10.79	3.93
Net Profit Margin (%)	7.7%	7.1%
CCC (Days)	299.00	343.00



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	06 December 2022	05 December 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 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 '**WCRSE 3**' (pronounced as WASO Credit Rating Small Enterprise **Three**) rating under the SME Rating to **Ayub Garments** (hereinafter referred as "**AG**" 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
- Owned business premises and storage facility
- Good business network
- Good profitability margin
- Low levered capital structure

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

- Low disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- High Competition in market
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to **above average level** of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "**Stable**" outlook and believes that AG will be able to maintain its good fundamentals in the foreseeable future.