INITIAL CREDIT RATING REPORT

ALAM TRADERS

Ref. no.: FR/2023/033675

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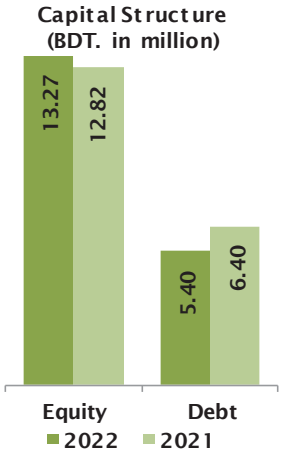
Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	62.59	56.90
EBIT	3.14	3.03
Net Profit	2.76	2.67
Total Assets	18.67	19.22
Total Equity	13.27	12.82
Total debt	5.40	6.40
Net Profit Margin (%)	4.4%	4.7%
CCC (Days)	67.00	76.00
ICR (X)	8.26	8.42



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 September 2023	18 September 2024

***Financial Based on**-Unaudited financial statements up to 31 December 2022.*

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **Alam Traders** (hereinafter referred as "AT" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Long experience of the proprietor
- Good interest coverage position
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to **Above average credit quality.**

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