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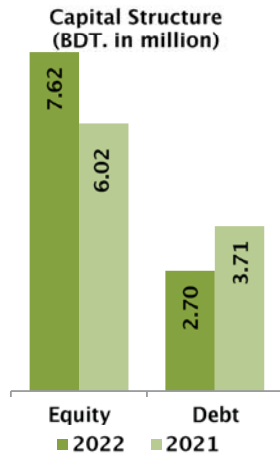
SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	08 August 2023	07 August 2024

**Methodology:** SME Rating Methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

#### RATING RATIONALE

#### Key Snapshot:

Tk. in million		
Particulars	2022	2021
Revenue	40.58	28.05
EBIT	4.63	3.02
Net Profit	3.65	2.24
Total Assets	14.42	11.15
Total Equity	3.43	2.37
Debt	10.98	8.78
Net Profit Margin (%)	9.0	8.0
ICR (X)	73.24	89.21



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WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small And Medium Enterprise Three) rating under the SME Rating to **Ali Enterprise** (hereinafter referred to as 'AE' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good business network or Maintained sound business relation with supplier & buyer
- Owned business premises and storage facility
- Good Profitability margin
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- Low disclosure in the financial statements
- Highly levered capital structure
- Tight liquidity position considering long cash conversion cycle
- 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 GC 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.