

# 3<sup>rd</sup> SURVEILLANCE CREDIT RATING REPORT ALI TRADERS



Ref. no.: CRAR-7340/2023

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	17 October 2023	16 October 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Al-Arafah Islami Bank Limited	Bai-Muajjal	9.50	10.55	09.10.2023

*Financial Based on-Unaudited financial statements up to 31<sup>st</sup> December 2022.*

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

## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	68.40	120.00
EBIT	5.06	18.20
Net Profit	4.52	16.34
Total Assets	19.97	23.33
Total Equity	15.88	13.53
Debt	10.23	9.80
Net Profit Margin (%)	6.6	13.6
CCC (Days)	86	50
ICR (X)	9.64	12.77

## RATING RATIONALE

WCRCL has reaffirmed 'WCRME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Ali 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:

- Long business experiences of the proprietor in the business
- Good business network
- Owned business premises and storage facility
- Good interest coverage position
- Low levered capital structure
- Satisfactory banking relationship

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
- No insurance coverage
- Manual accounting system

The SME rating implies that the enterprise is adjudged 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.

## Analysts:

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