

# 2<sup>nd</sup> SURVEILLANCE CREDIT RATING REPORT AYUB ALI TRADERS



Ref. no.: CRAR-10504/2023

## Report Contents:

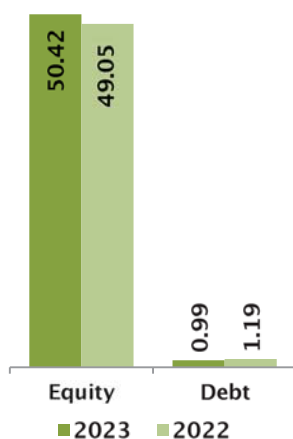
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

## Key Snapshot:

BDT. in million

Particulars	2023	2022
Revenue	154.83	151.80
EBIT	23.73	23.19
Net Profit	20.55	20.13
Total Assets	51.41	50.24
Total Equity	50.42	49.05
Total debt	0.99	1.19
Net Profit Margin (%)	13.3%	13.3%
CCC (Days)	130	129

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	10 October 2023	04 October 2024

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Premier Bank Limited	BG	50.00	2.94	01.10.2023
Total		50.00	2.94	

*Financial Based on—unaudited financial statements up to 30 June 2023.*

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **Ayub Ali Traders** (hereinafter referred as "AAT" 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
- 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
- Poor disclosure of financial statements
- Manual accounting system

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

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