

# 2<sup>nd</sup> SURVEILLANCE CREDIT RATING REPORT CHHAYA TRADE LINK



Ref. no.: CRAR- 11041/2023

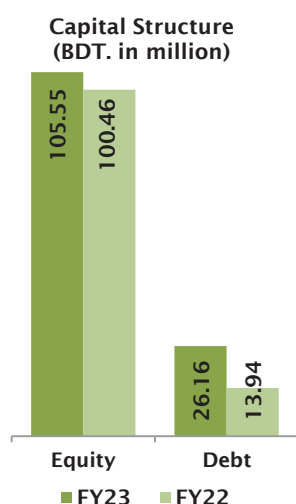
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## Key Snapshot:

BDT. in million

| Particulars           | FY23   | FY22   |
|-----------------------|--------|--------|
| Revenue               | 212.30 | 192.04 |
| EBIT                  | 17.82  | 15.80  |
| Net Profit            | 15.09  | 13.43  |
| Total Assets          | 131.71 | 114.39 |
| Total Equity          | 105.55 | 100.46 |
| Debt                  | 26.16  | 13.94  |
| Net Profit Margin (%) | 7.1    | 7.0    |
| ICR (X)               | 8.68   | 9.34   |



## Analysts:

**Shudhan Mallick**  
shudhan@wasocreditrating.com

**Maharan Nasrin**  
maharan@wasocreditrating.com

| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
|            | WCRSME3      | Stable  | 14 November 2023    | 19 November 2024   |

| Bank Name  | Mode of Investment | Sanctioned Amount | Outstanding Amount | Date of Outstanding |
|--|--------------------|-------------------|--------------------|---------------------|
| South Bangla Agriculture & Commerce Bank Limited | CC (H)             | 25.00             | 24.81              | 18.10.2023          |

*Financial Based on audited financial statements up to 30<sup>th</sup> 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 and Medium Enterprise **Three**) rating under the SME Rating to **Chhaya Trade Link** (hereinafter referred as "CTL" 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 mortgage security coverage against loan
- Low levered capital structure
- Good interest coverage position
- Satisfactory banking relationship

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

- Medium disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- No insurance coverage
- Expired trade license
- 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 CTL 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.