

INITIAL CREDIT RATING REPORT
AMIR ALI AUTO PALISH



Ref. no: CRAR-19305/2024

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

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	18 January 2024	17 January 2025

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 and Medium Enterprise Three) rating under the SME Rating to Amir Ali Auto Palish (hereinafter referred as “AAAP” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

BDT. in million

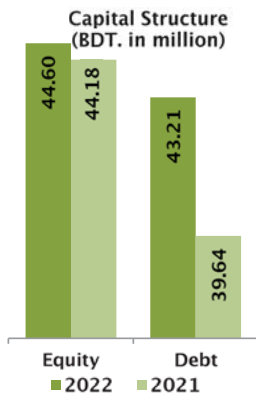
Particulars	2022	2021
Revenue	119.23	103.68
EBIT	8.88	7.51
Net Profit	5.69	4.69
Total Assets	87.81	83.82
Total Equity	44.60	44.18
Total debt	43.21	39.64
Net Profit Margin (%)	4.8	4.5
CCC (Days)	74	80
ICR (X)	4.06	3.78

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

- Long business experience of the proprietor in the business
- Maintained sound business relation with supplier & buyer
- Owned business premises and storage facility
- Low levered capital structure
- 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:

- No disclosure in the financial statements
- 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.

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WCRCL also viewed the enterprise with “Stable” outlook and believes that AAAP 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.