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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	23 November 2023	22 November 2024

**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 **Ayatullah Rice Agency** (hereinafter referred as “ARA” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

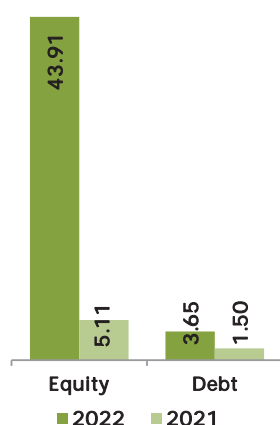
BDT. In million

Particulars	2021	2022
Revenue	12.84	14.76
EBIT	3.31	3.85
Net Profit	2.99	3.50
Total Assets	6.61	47.56
Total Equity	5.11	43.91
Debt	1.50	3.65
Net Profit Margin (%)	23.3	23.7
CCC (Days)	148	118
ICR (X)	11.23	11.87

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

- Experienced and skilled management
- Good business network
- Low levered capital structure
- Satisfactory banking relationship
- Good mortgage security coverage against loan

Capital Structure (BDT. In million)



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
- 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 ARA 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.

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