

# SURVEILLANCE CREDIT RATING REPORT ARA TECHNOLOGIES LIMITED

Ref. no.: FR/2022/025855



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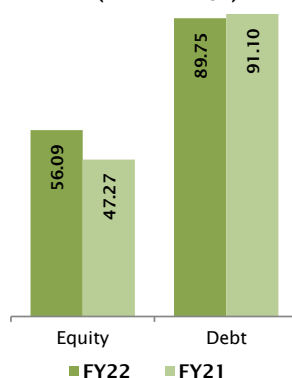
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## Key Snapshot:

*Tk. In Million*

Particulars	FY22	FY21
Revenue	273.14	204.91
EBITDA	21.04	16.30
Net Profit	8.81	7.82
Total Assets	145.85	138.38
Total Equity	56.09	47.27
Debt	89.75	91.10
Net Profit Margin (%)	3.23	3.81
Current Ratio (X)	1.55	1.45
CCC (Days)	161	175
D/E Ratio (X)	1.60	1.93
ICR (X)	2.15	1.92

**Capital Structure**  
(Tk. In Million)



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRME 3	Stable	19 September 2022	09 August 2023

*WCRME 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093*

*Tk. In Million*

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 15.09.2022
Meghna Bank Limited	CC (Hypo)	32.50	32.05
	L/C	55.00	0.24
	Rev LTR	(49.50)	31.07
	OD	(8.00)	0.00

**Financial Based on-** Management prepared financial statements for the periods ended on 30<sup>th</sup> June 2022, 2021, and 2020.

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRME 3' (pronounced as WASO Credit Rating Medium Enterprise Three) rating under the SME Rating to **ARA Technologies Limited** (hereinafter referred to as 'ARATL' or 'The Company') 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 company which includes good business network, sponsors have good knowledge about their business, positive business trend, profitable business performance and have insurance coverage. However, the above rating has been moderated to some extent due to some factors like highly levered capital structure, tight liquidity position with long cash conversion cycle, no disclosure in the financial statements, highly levered concern, and poor debt coverage position.

The SME rating implies that the company is adjudged above average level of credit worthiness in relation to other medium enterprises.

WCRCL also viewed the company with "Stable" outlook and believes that ARATL will be able to maintain its good fundamentals in the foreseeable future.